



G. K. GOKHALE





**G. K. GOKHALE**  
**IN PROFESSOR'S ROBES.**

# SPEECHES

OF

## GOPAL KRISHNA GOKHALE

*I recognize no limits to my aspiration for our Motherland. I want our people to be in their own country what other people are in theirs. I want our men and women, without distinction of caste or creed, to have opportunities to grow to the full height of their stature, unhindered by cramping and unnatural restrictions. I want India to take her proper place among the great nations of the world, politically, industrially, in religion, in literature, in science and in arts. I want all this and feel at the same time that the whole of this aspiration can, in its essence and its reality, be realized within this Empire.—  
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### **PUBLISHERS' NOTE.**

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This is the third edition of Gokhale's Speeches. The publishers have availed themselves of this opportunity to add some important papers in connection with the Morley-Minto Reforms as also Mr. Gokhale's last political testament on Post-War reforms for India.

## PREFACE TO THE SECOND EDITION.

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*The first edition of the "Speeches and Writings of Gopal Krishna Gokhale" was published by me in 1908. The idea of publishing a second edition matured a few months before his death, and Mr. Gokhale himself was to have selected the matter. But that was not to be, and I have been denied the privilege of presenting him with a copy of this volume.*

*Every endeavour has been made to make this collection comprehensive and up-to-date. The full text of all his speeches in the Imperial Legislative Council has been given. To prevent the volume from assuming an inordinate size some matter had to be omitted. But nothing of any interest has been sacrificed. The omissions, which are few in number, are earlier utterances which speeches of a later date have superseded.*

*The first part includes all his utterances in the Supreme Legislative Council; the second and third parts contain his important Congress speeches and his notable utterances on the South African Indian question; in the fourth part we have his*

*speeches in appreciation of Mr. A.O. Hume, Lord Northbrooke, Mr. Dadabhai Naoroji, Mr. Mahadev Govind Ranade, Mr. W. C. Bonnerjee, Sir P. M. Mehta, Sir William Wedderburn, and others; the fifth part comprises a selection of miscellaneous speeches delivered in England and India. The sixth part contains his evidence before the Welby Commission and the full text of the Note prepared by him for the Royal Commission on Decentralisation. In the Appendix will be found his paper on "East and West in India" read at the Universal Races Congress, and the Constitution of the Servants of India Society founded by him in 1905.*

*These speeches cover thirty years of a most strenuous, selfless and active public life and embrace the whole range of topics that have engaged and are still engaging the attention of the public. Full of instruction on every point and breathing in every line the moral fervour which was Mr. Gokhale's supreme characteristic, this volume, I venture to hope, will command wide popularity.*

*Feb., 1916.*

G. A. NATESAN.

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# G. K. GOKHALE.

## A SKETCH.

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Mr. Gokhale was a Maratha Brahmin and thus belonged to a class of people who are not in the good books of Anglo-Indians. But the Maharashtra, the country of the Marathas and the origin and centre of the Maratha supremacy in the 18th century, has produced some of the finest intellects, the noblest minds and stoutest hearts in India. Though the last to pass under British rule, the people were soon reconciled to the change and came to appreciate the benefits of that rule. But the intellects of Maharashtra showed a vigour and a power of independent thought that were rare elsewhere and thus created against them a prejudice which has not disappeared even to-day. They perceived the urgent need of reform in various directions and started institutions for the purpose of preparing the people for progress—institutions based on the foundation of self-sacrifice and public spirit. Among these institutions typical of Maharashtra, the Deccan Education Society of Poona, the centre of Mahratta patriotic activities, takes a very high rank. It was in 1879 that a few enthusiastic young men like the late Mr. V. K. Chiplunkar, the late Mr. M. B. Namjoshi, the late Mr. G. G. Agarkar, and Mr. B. G. Tilak, with the advice and approval of leading people like Mr. Mandlik and Mr. Ranade, started the New English School at Poona with the object of cheapening and facilitating education and making it available for all classes by opening schools and colleges under

private management. That small seed steadily grew into a large tree under whose genial shade thousands of young men are comfortably drinking at the inspiring fountain of education. The Deccan Education Society, established in 1884 to give a regular shape to this educational activity, is a unique institution in India. The Life Members, those who conduct the Fergusson College, the schools and other institutions of the Society, bind themselves to serve for a period of 20 years on a small salary which is but a subsistence allowance. Their sacrifice has enabled them to develop the educational institutions under their charge to such an extent that no less than 3,600 pupils are to-day receiving their education in the college and schools of the D. E. Society.

Mr. Gokhale was born at Kolhapur in 1866 of poor parents. He passed his Intermediate Examination from the local college and prosecuted his further studies partly at the Elphinstone College, Bombay, and partly at the Deccan College, Poona. He graduated in 1884 and immediately joined the D. E. Society as a Life Member. Fergusson College was opened on the second day of the year 1885, and Mr. Gokhale was soon called upon to lecture to college classes on English Literature and Mathematics. As a lecturer he made his mark, and his success was not a little due to his hard work and powerful memory. History and Political Economy had, however, great fascination for him, and it was in these subjects that he greatly shone. His command of English, his masterly manner of putting things before his students and his fine grasp of the subjects he expounded, attracted crowded classes, and his students even now remember how charmed they were by his splendid exposition and eloquence. So long as he was connected with the D. E. Society, he was a tower of strength to it and

worked hard to develop Fergusson College and its sister institutions.

Life Members of the D. E. Society are not merely teachers or professors as people outside suppose. Besides doing the teaching work which falls to his share, each Life Member has to take part in the work of organisation, expansion, and management of the growing institutions of the Society. He has to go about collecting funds, and is responsible, along with his colleagues, for the proper administration of the funds and the conduct and control of the college and schools. Mr. Gokhale's period of Life Membership was certainly an excellent training for the wider public life on which he formally entered on his retirement. We say formally, because even while a Life Member, he had been devoting his time and energies to very useful public work in the political and other spheres. But the years he had devoted to the cause of the D. E. Society as a young man had left a profound impression upon his mind. The lesson taught by this experience *viz.*, that a band of enthusiastic young men, animated by a desire to serve their country and fortified by self-sacrifice, can achieve success in promoting public good, encouraged Mr. Gokhale only three years after his retirement from the D. E. Society to start a new institution working on the same principle of sacrifice but having a wider sphere of activities—*viz.*, the Servants of India Society. The two institutions are situated near each other on fine sites on the outskirts of Poona and, animated with the same spirit, are the admiration and the hope of the whole country.

Mr. Ranade, the maker of Maharashtra as he has been called, was the source of the inspiration which led to a general upheaval in the Deccan and outside more than forty years ago, and Poona became the centre of the public activities almost all of which

were guided by that master-mind. The *Sarvajanik Sabha* of Poona was one among the several institutions which were doing public work, and Mr. Ranade's influence had not a little to do with its popularity and success. We have already said that that great man of Poona had the faculty of attracting and attaching to himself men of various types and of making them put forth their best in the service of the country. Mr. Gokhale was one among the young men who were drawn into Mr. Ranade's orbit and under that great man began his training for public life. Naturally possessed of rare capacity, aptitude, and energy, he utilized to the full the opportunity thus obtained and his progress was rapid. In 1887 Mr. Gokhale became editor of the quarterly journal of the *Sarvajanik Sabha*, which was remarkable for its intelligent, thoroughgoing and outspoken discussion of the important public questions of the day and its capable representation of the popular attitude towards them. Mr. Gokhale studied under the eye of the master and was not ashamed of being a subaltern. This was largely the secret of his success. His devotion to Mr. Ranade was almost religious and his regard for another great leader was avowed not many years ago when he said that he would rather be in the wrong with Sir Pherozeshah Mehta than in the right with any one else.

One point that must be noted here is that it was not only habits of assiduous study and a firm grasp of public questions that he owed to his association with Mr. Ranade; he picked up something still more valuable, *viz.*, moral fervour, spiritual elevation, wide sympathies and liberal principles. He was a thorough believer in moral and social reform and the development of character as the foundation of national progress, and he held strongly that if India is to rise

from her present position we must advance socially and morally as much as politically and economically. Mr. Gokhale was for some years one of the editors of an Anglo-Marathi Weekly of Poona named the *Sudharak* or Reformer and was thus associated in the work of one of the boldest, sincerest and ablest of reformers in the Deccan, *viz.*, the late Principal Agarkar. He was likewise Secretary to the Bombay Provincial Conference for four years and to the Indian National Congress when it met in Poona in 1895. That session was remarkable for an exhibition of what has become notorious as Poona politics, a bitter taste of which the whole country obtained at Surat in 1907. The opposition of the reactionaries was mainly factious and personal. They kicked up a great row but under the wise guidance of Mr. Ranade both the Congress and the Social Conference were safely piloted to the port. But the fiend of factious zeal and reaction had been roused, and the friends of liberalism and moderation in Poona had to found a new political association of their own, *viz.*, the *Deccan Sabha* of which Mr. Gokhale became Secretary.

In 1897, Mr. Gokhale was called upon to give evidence before the Royal Commission on Indian Expenditure presided over by Lord Welby. It was an ordeal before which any man in Mr. Gokhale's position would have quaked. Thanks, however, to the splendid mastery he had won by hard labour over his favourite subject, the young Professor from the Ferguson College faced the fire of cross-examination in the most creditable manner and added a new feather to his cap.

For two years, 1900 and 1901, Mr. Gokhale was an elected member of the Bombay Legislative Council, and while there, he gave a foretaste of the splen-

did work he achieved in a higher sphere as a critic of the policy and measures of Government. His speeches in the Council were remarkable for their knowledge and outspokenness and Mr. Gokhale's tenure of the councillorship of the Bombay Legislature will be remembered for the vigorous speech he made against the land-revenue policy of Government under which a restricted tenure was created depriving cultivators of their power of alienating land. There was very strong opposition to the bill in the province and it was reflected in the Council by popular representatives headed by the late Sir Pherozeshah Mehta. The agitation against the measure was characterised by officials as a money-lender's agitation, which was of course far from being true and when an appeal to Government to postpone the further consideration of the bill in deference to the earnest request of the people failed, Messrs. Mehta, Gokhale and other non-official members left the Council Chamber as a protest against official obstinacy and indifference to popular opinion. In 1902 Mr. Gokhale filled Mr. Pherozeshah's place in the Supreme Legislative Council as the only man on whom the mantle of that great veteran could fittingly fall, and from that time till his death he continued to represent true public opinion in the highest Legislative Chamber in the land with ability, outspokenness and statesmanship, which, it is no exaggeration to say, have never been equalled. Criticism and especially able criticism of the policy and measures of Government has always been resented by officials and the Anglo-Indian press, and according to them the proper *role* of the exponents of public opinion in our Legislative Councils is to listen and acquiesce. But Mr. Pherozeshah had made his presence felt in the Viceroy's Council and a stouter champion of the people's cause and a more unsparing

critic of the official class could not be found. His successor had to deal, on his advent into the Council, with such a masterful personality as Lord Curzon, and Mr. Gokhale soon showed that the cause of the public could not have been placed in more competent hands, and the Viceroy himself realized that he had to cross swords with an adversary whom it was not easy to overcome.

In 1902, having fulfilled his vow, Mr. Gokhale retired from the Life Membership of the D. E. Society and launched upon a new stage in his career. In the touching reply he gave to the farewell address presented to him by the students of Fergusson College on the eve of his retirement, Mr. Gokhale spoke with extreme diffidence about his success in the new role he was assuming and compared himself to a man who, fascinated by the irresistible charms of the sea, trusted himself and his all to its waves and was overwhelmed by the pitiless billows. He went on to observe:—

“Here I am with a settled position in this college and having for my colleagues, men with whom it is a pleasure and a privilege to work, and whose generosity in overlooking my many faults and magnifying any little services I may have rendered, has often touched me deeply. And yet, I am giving up all this to embark on the stormy and uncertain sea of public life: But I hear within me a voice which urges me to take this course, and I can only ask you to believe me when I say that it is purely from a sense of duty to the best interests of our country, that I am seeking this position of greater freedom but not necessarily of less responsibility. Public life in this country has few rewards and many trials and discouragements. The prospect of work to be done is vast, and no one can say what is on the other side—how all this work may end. But one thing is clear. Those who feel in the matter as I do must devote themselves to the work in a spirit of hope and faith and seek only the satisfaction which comes of all disinterested exertions.”

Mr. Gokhale's retirement was indeed a great loss to the D. E. Society, but what a gain has it been to the country at large! The frail and storm-tossed bark



of which he spoke turned out to be a big ocean-steamer successfully riding the waves of public life and taking India towards the harbour of her deeply cherished ideal. Mr. Gokhale's remarks quoted above, however, correctly represent the enormous difficulties which an Indian entering upon public life has to face in this country and the disappointment which falls to his lot.

It is superfluous to say that in the Imperial Legislative Council, of which he was one of the most distinguished members, Mr. Gokhale rendered invaluable services to the people and Government. He was a staunch advocate of financial, administrative and economic reform and consistently urged upon the attention of Government the necessity of taking measures to promote the moral and material development of the people of this country. Before the year 1909, when the reformed Councils came into existence, Hon'ble members of the legislatures had no right to move resolutions and all the criticism they had to offer and all the suggestions they had to make, had to be concentrated in their budget speeches. Mr. Gokhale's speeches in the Supreme Legislative Council in the pre-reform period constitute a splendid literature which all those who want to study the development of our financial and material condition should make it a point to read, mark, and inwardly digest. They give a luminous exposition of the policy and measures of Government from year to year and bring out the hopes, the aspirations and needs of the people in a most instructive manner. Mr. Gokhale pleaded for a more liberal and sympathetic policy in the administration, for retrenchment and economy, for the spread of education among the masses and for the systematic promotion of their material prosperity. His budget speeches, therefore, make most

enlightening and instructive reading and form, as it were, a text-book for a student of public questions in India.

In concluding his budget speech of 1903, he thus referred to the question of administrative reform :

"No one denies that the difficulties of the position are great, no one expects radical or far-reaching changes all in a day. What one regrets most, however, in the present system of administration is that it favours so largely a policy of mere drift. The actual work of administration is principally in the hands of the members of the Civil Service, who, taken as a body, are able and conscientious men ; but none of them individually can command that prestige, which is so essential for inaugurating any large scheme of policy involving a departure from the established order of things. The administrators, on the other hand, who come out direct from England, command no doubt the necessary prestige, but their term of office being limited to five years, they have not the opportunity, even if they had the will, to deal in an effective and thorough-going manner with the deeper problems of the administration. The result is that there is an inveterate tendency to keep things merely going as though every one said to himself ; 'This will last my time.' What the situation really demands is that a large and comprehensive scheme for the moral and material well-being of the people should be chalked out with patient care and foresight, and then it should be firmly and steadily adhered to and the progress made examined almost from year to year."

The continuous growth of military expenditure has been the subject of persistent criticism at the hands of Indian politicians and what lends point to the criticism is the galling consciousness of the people that they are not allowed to undertake the responsibilities of national defence by being enrolled as Volunteers or being admitted to higher posts in the Army. While public attention to this latter aspect of the question has now been attracted in India, it is interesting to note the appeal Mr. Gokhale made to Government in this behalf in his Budget Speech in 1904. He said ;—

"My Lord, His Excellency the Commander-in-Chief addressed the other day a powerful appeal to Englishmen in India to come forward and enrol themselves as volunteers from

a sense of public duty. May not the Government consider the desirability of permitting—aye, inviting—carefully selected classes from among the children of the soil to share in the responsibilities of national defence? Both sentimental and financial considerations demand the adoption of a policy of this kind; and unless this is done, the growing military expenditure of the country will in course of time absorb all available resources and cast its blighting shadow over the whole field of Indian administration."

In view of the great interest with which the subject of the Public Services in India is always invested, the views Mr. Gokhale expressed on the question in the Viceroy's Council fourteen years ago, cannot fail to be instructive. The irony of the galling situation was that while the sons of the soil were excluded from responsible posts in the public Service, the Viceroy was proclaiming that not only were the people of this country not justified in complaining of exclusion from high office, but that they were being treated with 'a liberality unexampled in the history of the world.' Unexampled liberality forsooth! In his Budget speech of 1905, Mr. Gokhale dealt with this question and observed that in spite of the Viceroy's speech and a Government Resolution magnifying the 'unexampled liberality,' the public mind remained unconvinced and that certain propositions in the Resolution had even created the unfortunate impression that it is no longer the intention of Government to adhere faithfully to the lines of policy laid down in the matter in the Parliamentary Statute of 1833 and the Proclamation of the Queen Empress in 1858. Having successfully disposed of the arguments advanced by Government to support their plea of 'unexampled liberality,' Mr. Gokhale went on to say:—

"My Lord, this question of appointment to high office is to us something more than a mere question of careers. When all positions of power and of official trust and responsibility are the virtual monopoly of a class, those who are outside that class

are constantly weighted down with a sense of their inferior position, and the tallest of them have no option but to bend in order that the exigencies of the situation may be satisfied. Such a state of things, as a temporary arrangement, may be accepted as inevitable. As a permanent arrangement, it is impossible. This question thus is to us a question of national prestige and self-respect, and we feel that our future growth is bound up with a proper solution of it."

The hasty and ill-considered changes that were made in Higher Education also met with severe criticism at the hands of Mr. Gokhale. Among the many retrograde measures of the Curzonian regime the Indian Universities Bill was one. Its introduction created great distrust and indignation throughout the country. Mr. Gokhale, himself one of the class of the much abused and "discontented B.A.'s," felt that the bill was a veiled attempt to check the progress of higher education and put back the hands of the clock. At the first meeting at which the bill was introduced, Mr. Gokhale exposed the error of the policy which prompted the Viceroy to usher in his favourite measure. He said:—

Let not Government imagine that, unless the education imparted by Colleges is the highest which is at the present day possible, it is likely to prove useless and even pernicious; and secondly, let not the achievements of our graduates in the intellectual field be accepted as the sole, or even the most important test to determine the utility of this education. I think, my Lord—and this is a matter of deep conviction with me—that, in the present circumstances of India, *all* Western education is valuable and useful. If it is the highest that under the circumstances is possible, so much the better. But even if it is not the highest, it must not on that account be rejected. I believe the life of a people—whether in the political or social or industrial or intellectual field—is an organic whole, and no striking progress in any particular field is to be looked for, unless there be room for the free movement of the energies of the people in all fields. To my mind, the greatest work of Western education in the present state of India is not so much the encouragement of learning as the liberation of the Indian mind from the thralldom of old-world ideas, and the assimilation of all that is highest and best in the life and thought and character of the West. For this purpose not only the highest but *all* Western education

is useful. I think Englishmen should have more faith in the influence of their history and their literature. And whenever they are inclined to feel annoyed at the utterances of a discontented B.A., let them realize that he is but an accident of the present period of the transition, in India, and that they should no more lose faith in the results of Western education on this account than should my countrymen question the ultimate aim of British rule in this land, because not every Englishman who comes out realizes the true character of England's mission here.

The bill was passed and it soon became law, but the country was deeply grateful to Mr. Gokhale for his valiant fight.

Mr. Gokhale was about this time Joint Secretary of the National Congress along with Mr. D. E. Wacha. He was also very busy in collecting subscriptions for a memorial to the late Mr. Justice Ranade who had departed in 1901. The city of Bombay, where Mr. Justice Ranade passed the last few years of his life, raised a memorial to him and even Madras had made an attempt to perpetuate his memory. But it was necessary that Poona, the centre and source of Mr. Ranade's activities and the place to which he was so deeply attached, should have a memorial of its own, every way worthy of the services rendered by the deceased to Maharashtra. Mr. Gokhale laboured hard for the purpose and the public response was satisfactory. The memorial has taken the form of the Ranade Economic Institute, which was formally opened by Sir George Clarke (now Lord Sydenham), the then Governor of Bombay. It was also about this time that the plans Mr. Gokhale had been maturing about the Servants of India Society, became ripe and the institution came into being in June 1905.\*

In the latter part of this year Mr. Gokhale went to England on a political mission being deputed by the Bombay Presidency in accordance with a Congress resolution passed the previous year. Addressing the

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\* See page 914.

Fabian Society, London, he said, ' he had come from India in order to arouse the interest of the people of England in the affairs of India.' He told his audience that 'they were on the eve of a General Election, and consequently their friends in India thought this a fitting opportunity to make a special appeal to the English democracy with a view to inducing them to take some kind of interest in the affairs of that dependency.' The value of this sort of missionary work to be done in England has not been properly appreciated by many people in this country. It would be silly to expect any tangible effects to flow immediately from missions to England, but we must understand how our cause suffers owing to British ignorance and indifference. Propaganda work entrusted to capable hands like those of Mr. Gokhale is, however, sure to attain success as far as success is possible in such matters. Mr. Gokhale carried out his mission with great vigour, putting his case before the British public in that lucid, free and masterly way which characterised him.

The strenuous work Mr. Gokhale had done in the course of the year 1905, here and in England, was crowned with the most arduous duties he was called upon to perform, despite his wishes to the contrary, as President of the Benares Session of the Congress. We call those duties arduous because the position of the President of the Congress, which even under normal conditions is one of great responsibility, was rendered extremely difficult that year owing to the deep and serious unrest which the autocratic regime of Lord Curzon, the 'prancing proconsul,' had created throughout the country. Mr. Gokhale had to pass scathing criticisms upon the unwise policy that ruler had pursued during his regime, scorning and trampling on public

opinion and exasperating the people by his high-handed measures. This is the word-picture Mr. Gokhale painted of Lord Curzon :—

"The fact is that Lord Curzon came to India with certain fixed ideas. To him India was a country where the Englishman was to monopolize for all time all power and talk all the while of duty. The Indian's only business was to be governed, and it was a sacrilege on his part to have any other aspiration. In his scheme of things there was no room for the educated classes of the country; and having failed to amuse them for any length of time by an empty show of taking them into his confidence he proceeded in the end to repress them. Even in his last farewell speech at the Byculla Club in Bombay, India exists only as a scene of the Englishman's labours with the toiling millions of the country—eighty per cent. of the population—in the background. The remaining twenty per cent., for aught they were worth, might as well be gently swept into the sea! . . . Lord Curzon's highest ideal of statesmanship is efficiency of administration. He does not believe in what Mr. Gladstone used to call the principle of liberty as a factor of human progress. He has no sympathy with popular aspirations and when he finds them among a subject people, he thinks he is rendering their country a service by trying to put them down."

The *Swadeshi* movement, which was the direct product of the anti-partition agitation, next claimed Mr. Gokhale's attention, and carefully analysing the economic condition of the country, he pointed out the difficulties, the duties and the responsibilities involved in the successful conduct of that movement. With a masterly hand he proceeded to paint a vivid picture of the general political situation in India and formulated in some detail the demands of the Congress and laid down a programme of political work. The time, he thought, was most propitious for making an effort to carry out the sort of programme he had sketched. In England, the Liberal Party had come into power after a long Conservative regime and a strong current had set in 'against that narrow and aggressive imperialism, which only the other day seemed to be carrying everything before it.' Mr. Morley's assump-

tion of the Secretaryship of State for India, in particular, raised men's expectations to a high pitch and though he found himself unable to go against the current of conservative and reactionary influences, that philosopher-statesman's name is properly associated with the expansion of the Legislative Councils. How people's minds were swayed backwards and forwards by hope and fear on the eve of the reform epoch, is seen from the following sentences from Mr. Gokhale's speech.

"And as regards the new Secretary of State for India, what shall I say? Large numbers of educated men in this country feel towards Mr. Morley as towards a Master, and the heart hopes and trembles, as it never hoped or trembled before. He, the reverent student of Burke, the disciple of Mill, the friend and biographer of Gladstone—will he courageously apply their principles and his own to the Government of this country, or will he too succumb to the influences of the India Office around him, and thus cast a cruel blight on hopes, which his own writings have done so much to foster?"

Mr. Gokhale's Budget Speech of 1906 was again a vigorous plea on behalf of retrenchment and economic and administrative reform. He bitterly complained of the lavish expenditure upon the Army and the utilization of the large annual surpluses for the construction of works which ought to be built out of borrowed funds.

'The saddest part of the whole thing,' he said, 'is that in spite of this superabundance of money in the Exchequer and the resultant growth of administrative expenditure, the most pressing needs of the country in regard to the moral and material advancement of the people have continued for the most part unattended to, and no advantage of the financial position has been taken to inaugurate comprehensive schemes of State action for improving the condition of the masses.'

Mr. Gokhale then went on to indicate the lines along which reform was urgently needed, *viz.*, educational expansion, sanitation, relieving the burdens of the ryots and so forth. On April 14, 1906, Mr. Gokhale again left for England on a political mission



to press for a redress of grievances and the concession of Council and other reforms. Behind him, in India, particularly in Bengal, things were going from bad to worse. The partition of that Province had caused a deep wound in the minds of the people and the blundering acts of the executive were most harsh and exasperating.

The harsh, unwise and short-sighted policy of Government aggravated the evil to such an extent, that a section of the population was swept off its feet. People became pessimistic and lost faith in constitutional political agitation. A boycott of British goods and of all Government institutions was preached and practised. A party of Extremists thus arose in the country consisting of men who saw no good in the Congress as it was then constituted. People who till then had done little constructive work and had given no promise of a capacity to do any, suddenly shot into fame and became self-constituted leaders. Their propaganda was practically anti-Congress. Their mock-heroic phrases caught the ear of a large section of the public and the fate of the Calcutta Congress hung in the balance. When reverence for authority, age and experience had vanished and the new doctrines of so-called self reliance and nationalism were gaining ground in the country, it is no wonder if a number of raw and inexperienced people fell victims to the infection of the movement.

The work of the responsible leaders of the political movement became very difficult and all progress seemed to be threatened. The charm of the personality of Mr. Dadabhai Naoroji, who was induced to preside over the Calcutta Congress, somehow staved off the disruption of that body. But the Extremists became every day more clamorous and framed a political programme of their own, which was at daggers

drawn with the traditional aims and methods of the Congress. They wanted that body to adopt Swarajya or unrestricted Self-Government and a universal boycott as the main planks of its programme, and they seemed to be bent on thus mending, or ending, the Congress. Constructive work was not in their line and they all but succeeded in wrecking the Congress at Surat when they found they could not capture it. As a sincere and selfless patriot and a keen-eyed statesman, Mr. Gokhale was deeply pained by the way things were developing and with a view to explaining the real situation to his countrymen, he undertook in the early part of 1907 an extensive tour in the United Provinces and the Punjab, in the course of which he delivered speeches at various places and attempted to define and elucidate the work which educated Indians had to do for the uplift of their country.

We shall not recount the incidents of 1907 and 1908 which showed that the poisonous exotic of anarchism, which years of vigilance and determined action have not succeeded in wholly exterminating, had taken root in the Indian soil, that forces of violence were gaining strength and that new political doctrines subversive of all progress were being imbibed by the unwary, the inexperienced and the impressionable folk. The voice of reason, of true patriotism and of statesmanship was drowned in the frenzied clamours of the exponents of Extremism.

As it was, the unfortunate Surat incident left no choice to the responsible leaders of the Congress but to place it on a sound basis and to frame a constitution and rules for its guidance though this might keep out from that body several people who were once its adherents. Self-Government within the Empire was made the fundamental article of faith of the Congress,

and it was under this constitution that the session was held at Madras in 1908. Thus the leaders displayed on this critical occasion rare courage and capacity for constructive work, and the even course of the Congress has continued to run smoothly. These were most anxious times for Mr. Gokhale who was consistently misrepresented and vilified by his detractors and yet who was manfully doing his onerous duty by his countrymen. The country was not yet pacified, the repressive policy of Government went on unabated and the high hopes entertained of the Morley regime seemed to be dashed to the ground. Nothing could have been more disappointing and disconcerting to Mr. Gokhale than the situation in the country, the persistence by Government in a policy which intensified the unrest among the people and the consequent block in the path of progress.

After urging, as usual, various financial, economic and administrative reforms, in his budget speech of 1907, Mr. Gokhale observed :—

Since last year, the impression has prevailed that the Government has at last decided to move forward and that important concessions are contemplated. I earnestly trust that this impression is well-founded. I trust also that [the proposed reforms, when announced, will be found to be substantial and conceived in a generous spirit. My Lord, it is of importance that there should be no unnecessary delay in this matter. The public mind is in a state of great tension, and unless the concessions are promptly announced and steps taken to give immediate effect to them, they will, I fear, lose half their efficacy and all their grace. The situation is an anxious—almost critical one, and unless the highest statesmanship inspires the counsels of the Government, difficulties threaten to arise of which no man can foresee the end.”

In the next year's Budget Speech also Mr. Gokhale referred to this point and appealed to Government to stem betimes the tide of unrest and impatience, which was fast spreading throughout the country and becoming stronger every day, by the

adoption of a statesmanlike and conciliatory policy. Having dealt with the questions of the utilization of surpluses, of the causes and effects of the prevalent high prices, and having pointed out how disappointment and discontent were getting a firm hold of the mind of the young generation, Mr. Gokhale said :—

“My Lord, the Government will no doubt put down—indeed it must put down—all disorder with a firm hand. But what the situation really requires is not the policeman's baton or the soldier's bayonet, but the statesman's insight, wisdom and courage. The people must be enabled to feel that their interests are, if not the only consideration, at any rate, the main consideration, that weighs with the Government, and this can only be brought about by a radical change in the spirit of the administration. Whatever reforms are taken in hand, let them be dealt with frankly and generously. And My Lord, let not the words ‘too late’ be written on every one of them.”

The reforms came at last, but though they carried our constitutional progress one step further, they did not give much satisfaction. Yet there they were and represented a move forward in the right direction. It was in this spirit that Mr. Gokhale wanted his countrymen to take the reforms, to make the best of them and to prepare for further advance. In his Budget Speech of 1909, that being the last year of the pre-reform Councils regime, Mr. Gokhale offered a few observations of a general character, mainly reviewing the political situation in the country. He expressed his strong disapproval of the repressive policy of Government, which three months before had dictated the deportation of nine Bengalee gentlemen under an old Regulation of 1818. He then referred to certain features of the new reform scheme, which was being adversely criticised from different standpoints in the Indian, the Anglo-Indian and the British press. Mr. Gokhale felt it his obvious duty to express his countrymen's gratitude to Lord Minto and Lord Morley for the noble work they

had done in introducing the reforms under conditions of extraordinary difficulty. He paid a handsome and well deserved tribute to both which is epitomised in the following two sentences in his Budget Speech:

“My Lord, I sincerely believe that your Lordship and Lord Morley have between you saved India from drifting towards what cannot be described by any other name than chaos. For, however strong a Government may be, repression never can put down the aspirations of a people and never will.”

In the meantime, in spite of the reforms secured by India through the initiative of the two liberal-minded statesmen, the course of crime and violence which had been adopted by a few political fanatics and anarchists, went on and made the position most anxious and embarrassing. In a speech delivered at Poona under the auspices of the Deccan Sabha, on 4th July, 1909, Mr. Gokhale expressed in the strongest terms the horror and indignation with which the dreadful news of the assassination of Sir William Curzon-Wyllie and Dr. Lalkaka by an Indian student in London had just been received in this country and emphatically denounced people who spread wild and nonsensical ideas about independence and whose noxious propaganda unsettled the minds of the young generation in the country. Seven days later he delivered another speech in which he dealt with the question of special representation on the Legislative Councils which had created an amount of soreness in the minds of a large section of the people of this country. He explained the special difficulties that surrounded the question of Moslem representation, but strongly opposed special treatment of any community as such. In October, 1914, Mr. Gokhale gave an address at the annual meeting of the Students' Brotherhood, Bombay, and while urging the necessity of our students studying political problems under

proper guidance, warned them against the Extremist teaching which had become the bane of the country.

From the commencement of the reformed councils epoch, Mr. Gokhale steadily availed himself fully of the new opportunities to move resolutions on important subjects and to criticise in an effective and helpful way the financial policy of the Government. Though the fat surpluses, which were a feature of the time of Lord Curzon, tended to diminish in later years, Finance Members showed great anxiety to budget for a surplus and expended the funds thus obtained on works which should have been provided for out of loans. Mr. Gokhale's position was perfectly sound, and it was that surpluses meant a higher level of taxation than was justified by the needs of the country and as the money represented by the surpluses came out of the pockets of the people, it should be devoted to reforms designed to ameliorate the condition of the people.

In his speech on the budget estimates for 1910-11, Mr. Gokhale took a comprehensive review of the financial situation and the steady rise of expenditure for the previous ten years, and suggested the necessity for an inquiry into the growth of civil and military expenditure during that period.

So seriously heavy was the increase in public expenditure that Mr. Gokhale hammered at the question next year and moved a Resolution in the Legislative Council in January, 1911, recommending that Government should order a public inquiry by a mixed body of officials and non-officials into the causes which had led to the phenomenal rise.

'How large and how unprecedented,' he said, 'this growth of expenditure has been, may be seen from the fact that two years ago, of a sudden and without any warning, we came to a

year of heavy deficit—the heaviest deficit that this country has known since the Mutiny. And last year the Hon'ble Member, as if to emphasise the gravity of the situation, felt himself driven to impose additional taxation to the tune of about a million and a quarter in a perfectly normal year, free from famine, war or any of those other disturbing circumstances which in our mind have been associated with increased taxation in the past.'

Mr. Gokhale's speech on this occasion is one of the finest expositions that have been given in the Council Chamber of the Indian financial policy, which has allowed an enormous growth of public expenditure, civil and military. His speech in connection with his proposal about an Opium Fund is equally illuminating and interesting. In fact, all his latter speeches on economic and financial questions make most instructive reading. He handles figures with an ease that even on the official side it is rare to meet with. He has an extraordinarily firm grasp of his subject, his insight is deep and clear, and his principles sound and unassailable. Mr. Gokhale's knowledge, his capacity and his grip of principles, were so wonderful that it would be no adequate compliment to him to say that he would have filled the place of the Indian Finance Minister with distinction. We are sure we shall not be charged with using the language of exaggeration if we observe that he would have made a successful Chancellor of the Exchequer in England. Referring to his absence, due to ill-health, Sir Guy Fleetwood Wilson observed in 1913, that it had created a blank in the Council and that Hon'ble Members, who had experience of previous Council meetings must think that that day they were playing Hamlet with the part of the Prince of Denmark left out.

By constantly pressing for retrenchment, economy and more liberal expenditure on schemes calculated to ameliorate the condition of the people and to

promote their material and moral progress, Mr. Gokhale was able to make a strong impression on the policy of Government, thanks to the responsive and sympathetic attitude of the Finance Members, Sir Guy Fleetwood Wilson, who presented his last budget in 1913. Before laying down his office, he had adopted some of the measures urged by Mr. Gokhale and large grants were made by the Supreme Government to Local Governments to enable them to carry out certain schemes of reform. Thus the finances of the Local Boards were strengthened by assignments made to Provincial Governments in the budget for 1913-14, and this was practically to meet the demand made in that behalf by Mr. Gokhale in the previous year. This was admitted in so many words by the Finance Member when he said that the 'seeds of policy' planted by Mr. Gokhale had come to 'quick maturity.' In replying, on behalf of Government, to Mr. Gokhale's speech introducing a Resolution on 13th March, 1912, recommending the appointment of a committee to inquire into the adequacy or otherwise of the resources at the disposal of Local Bodies, Sir Guy Fleetwood Wilson said:—

"Whenever Mr. Gokhale advocates a policy to which he attaches much importance, I am irresistibly reminded of the Indian juggler who sows a mango seed in a flower pot and covers it over with a cloth. In an extraordinarily brief space of time he removes the cloth and behold, there is a goodly mango tree in full bearing. So it is with Mr. Gokhale. He advocates a certain reform. We give him the mild answer which turneth away wrath, and we think we have before us an appreciable breathing time. But Mr. Gokhale has sown his little seed in his little flower pot; he has covered it over with his little cloth, and within an incredibly short space of time he removes his little cloth and presents to our astonished vision a tree bearing not only leaves, not only buds and flowers but a goodly crop of wholesome fruit."

In February of the same year Mr. Gokhale had moved his Resolution pressing for the creation of



District Advisory Councils. This reform he urged for the purpose of securing a close association of the people with district officials in the administration of the country. The proposal was, of course, stoutly opposed by Government but Mr. Gokhale's resolution showed his anxiety to improve the administrative machinery at the bottom, where it came into direct and every-day contact with the mass of people. Ill-health and work in connection with the Public Services Commission did not allow Mr. Gokhale during 1914 to take part in the deliberations of the Supreme Legislative Council, and this was felt as a serious loss to that body and to the country generally.

In two important matters Mr. Gokhale rendered invaluable service to his country, and they were his advocacy of the introduction of free and compulsory elementary education, and his espousal of the just cause of Indians in South Africa. As the reader must have seen, the expansion of mass education was always one of the objects he had at heart. In March, 1910, he placed the following Resolution before the Supreme Council :—

“That this Council recommends that a beginning should be made in the direction of making elementary education free and compulsory throughout the country, and that a mixed Commission of officials and non-officials be appointed at an early date to frame definite proposals.”

In speaking to this Resolution, Mr. Gokhale made out a strong case in favour of his proposal, but he had to content himself with an assurance from Government that the matter of the expansion of primary education would receive their serious and sympathetic consideration. Next year he introduced his Elementary Education Bill, which was warmly supported by people throughout the country. It was a very cautious measure, and Mr. Gokhale had been very careful in

framing the Bill to meet the various difficulties he was sure to encounter in making it acceptable to Government and different classes of people concerned. The measure did not try to achieve the impossible by seeking to introduce free and compulsory education universally and all at once, but provided for gradual yet definite expansion. He introduced the Bill in a powerful speech full of convincing facts, figures and arguments.

My Lord, one great need of the situation, which I have ventured again and again to point out in this Council for several years past, is that the Government should enable us to feel that, though largely foreign in personnel, it is national in spirit and sentiment; and this it can only do by undertaking towards the people of India all those responsibilities, which national Governments in other countries undertake towards their people. We too, in our turn, must accept the Government as a national Government, giving it that sense of security which national Governments are entitled to claim, and utilising the peace and order, which it has established, for the moral and material advancement of our people. And of all the great national tasks which lie before the country, and in which the Government and the people can co-operate to the advantage of both, none is greater than this task of promoting the universal diffusion of education in the land, bringing by its means a ray of light, a touch of refinement, a glow of hope into lives that sadly need them all. The work, I have already said, is bound to be slow, but that only means that it must be taken in hand at once. If a beginning is made without further delay, if both the Government and the people persevere with the task in the right spirit, the whole problem may be solved before another generation rises to take our place. If this happens, the next generation will enter upon its own special work with a strength which will be its own security of success. As for us, it will be enough to have laboured for such an end—laboured even when the end is not in sight. For, my Lord, I think there is not only profound humility but also profound wisdom in the faith which says:—

“I do not ask to see the distant scene:  
One step’s enough for me.”

There was an animated debate on the Bill, and Mr. Gokhale had no reason to be dissatisfied with the reception which it met with at the hands of the members of the Council. He also expressed his gratitude

to the Hon'ble Mr. Butler and to the Government for the most sympathetic attitude they had adopted towards the Bill, the motion to introduce which was put and agreed to.

The country was enthusiastically in favour of the Bill. Meetings held in various parts accorded their support to the measure and thus strengthened Mr. Gokhale's hands. Mr. Gokhale himself was active and spoke in Calcutta and elsewhere on the question of compulsory education, removed misunderstandings, tried to conciliate opponents and reassure waverers. He was thus encouraged to move in the Viceregal Council on 18th March, 1912, that the Bill to make better provision for the expansion of elementary education be referred to a Select Committee. On this occasion he analysed the opinions recorded upon his Bill by Local Governments, Municipalities, District Boards, and officials, European and Indian, and attempted to meet the objections which some of them had raised.

Mr. Gokhale then went on to criticise the unfavourable opinions that had been expressed in the Council on his motion, and his running commentary makes interesting reading, especially remarks about the unexpected and sudden conversion to official views and methods of the Hon'ble Mr. Dadabhoy. But all his figures, his reasoning and his arguments were of no avail. A stone wall of opposition had been erected by the Provincial Governments against the passage of the Bill, and the Government of India, had it been inclined to accept Mr. Gokhale's motion, was utterly helpless. The motion, to the disappointment of the whole country, was negatived by a majority of 25 votes. Yet one effect of the agitation in favour of compulsory education has been that the

wheels of the Government machinery have begun to move a little more speedily. But the people cannot be satisfied with this: they want primary education made compulsory and free and definite schemes to be framed for the purpose. In short, public opinion wants an Education Act of the type proposed by Mr. Gokhale, to whom the country is indebted for the splendid work he did in that cause.

This is not the place for enlarging upon the South African problem. The grievances of Indian settlers in South Africa, their oppressive treatment at the hands of the white population, the attitude adopted by the Union Government and the utter helplessness and apathy of the Imperial Government in the matter, are all too well-known now in this country to require mention here. From the very first Mr. Gokhale felt most deeply for his countrymen and country-women in South Africa and did what he could to help them. Seeing that the very system of indentured labour was immoral and degrading, Mr. Gokhale moved a Resolution in the Viceregal Council on 4th March, 1912, recommending that the necessary steps should be taken to prohibit the recruitment of Indian labourers under contract of indenture, whether for employment at home or in any British Colony. Two years before such recruitment for Natal had been stopped by law, but Government were not prepared for the prohibition suggested by Mr. Gokhale. The position in South Africa, had in the meantime, gone from bad to worse, and Mr. Gokhale decided to visit that country to study the question on the spot and collect facts. But while in London, it was suggested to him by high authorities that he might seek an opportunity to discuss the Indian question personally with the ministers in South Africa. It is needless to say, Mr. Gokhale utilized the opportunity to the full but the

problem bristled with difficulties of a serious nature, and the task of the peacemaker is proverbially thankless. He was most warmly received by his countrymen wherever he went, was entertained and presented with numerous loving and grateful addresses, which may now be seen adorning the walls of the Associates' room in the Servants of India Society's Home in Poona. Mr. Gokhale's position in South Africa was one of extreme delicacy and responsibility. With a full sense of this he tried to do what he could to bring the Union ministers and the white population to look at the position of the Indians in the proper perspective. Unfortunately Mr. Gokhale's attitude was misunderstood in certain quarters in India and was subjected to hostile criticism. Addressing a crowded public meeting in the Bombay Town Hall on 14th December, 1912, on his return from South Africa, he completely answered this criticism by pointing out how those who passed it did not show any real grasp of the problem. The supreme question for the Indian community in South Africa, he said, was not to urge a policy of the open door for more Indians to come there, as certain ill-informed critics thought, but to secure such an amelioration of the conditions under which they lived that their lot might become more bearable, and they might have opportunities of growing into an important part of a self-governing community. If he had stood out for the open door, the cause of the Indian community could not have been furthered in any way. His position was the position of Mr. Gandhi who certainly understood and cared for the interests of Indians in South Africa better than their countrymen out here. The tribute Mr. Gokhale paid to Mr. Gandhi is most touching and inspiring. He said:—

"In all my life I have known only two men who have affected me spiritually in the manner that Mr. Gandhi does—our great patriarch, Mr. Dadabhoy Naoroji and my late master, Mr. Ranade—men before whom not only are we ashamed of doing anything unworthy, but in whose presence our very minds are afraid of thinking anything that is unworthy. The Indian cause in South Africa has really been built up by Mr. Gandhi. Without self and without stain, he has fought his great fight for this country during a period now of twenty years, and India owes an immense debt of gratitude to him."

While Mr. Gokhale was devoting his attention to the political and educational advancement of his country he did not forget the great need there was for its social and industrial regeneration. In regard to social reform his attitude was definite and pronounced. He was often grieved to think of the differences of caste and creed which divided our countrymen, and he lost no opportunity in pleading for the eradication of these distinctions. The wretched condition of the depressed classes made a profound impression on him and on many occasions he was intensely distressed over their miserable lot. He said on one occasion, "it is so deeply deplorable that it constitutes a grave blot on our social arrangements," and it is "deeply revolting to our sense of justice."

But all too suddenly has the noble career come to an end. The strenuous work in which Mr. Gokhale had been engaged began to tell upon his health. The South African tour and the work on the Public Service Commission had almost worn out his physical frame though his spirit was as untiring and fresh as ever. On the evening of Thursday the 18th Feb., 1915, the papers announced the telegraphic message that the Hon. Mr. Gokhale had been suddenly taken ill with cardiac asthma and that he had to cancel his trip to Delhi to attend the meeting of the Imperial Legislative Council. The morning dawned with the news that he had passed away. At once there

spread a terrible gloom over the country from which it has not yet recovered fully. Gokhale was cremated in his own native city, where men of all parties met and expressed their most deep-felt sorrow at his untimely death. The grief was not felt in India alone. England too and the Colonies testified to their sorrow at the death of this great Indian. From all quarters of the Empire, from the King, from Secretaries of State, from Viceroys, from Provincial Governors and the Ruling Chiefs, poured in messages of condolence to the bereaved family. Meetings were held in India and in England to offer men's sorrowful tribute to the departed statesman. Bombay and Madras voted for permanent memorials in the form of statues, while All India was eager to strengthen The Servants of India Society by subscribing liberally towards its upkeep.

All through his strenuous life Mr. Gokhale thought and spoke on the political destiny of India, and he seldom failed to impress on his countrymen the need for sustained effort. Mr. Gokhale used to say that we must "muse by day and dream by night" of the future of our motherland and he practised his precept literally. For almost the last act of Mr. Gokhale was to frame a scheme of post-war reforms for India. This document now known as Mr. Gokhale's last political testament was published in August 1917 by H. H. the Aga Khan. It is included in this collection.

Within the short span of life allotted to him he has achieved so much that it is difficult to cite the example of another Indian to compare him with. "A graduate at eighteen, Professor at twenty, Editor of a journal like the Quarterly of the Poona Sarva-janic Sabha at twenty-one, Secretary of the Provin-

cial Conference at twenty-five, Secretary of the National Congress at twenty-nine, leading witness before a most important Royal Commission at thirty-one, Provincial Legislator at thirty-four, Imperial Legislator at thirty-six, President of the National Congress at thirty-nine, National Envoy to the Imperial Government and founder of institutions at forty"—what a truly marvellous and brilliant career has it been and how mournful it is to think that a life of such "singular gloriousness" had been so soon cut short! We feel "that a sudden darkness has fallen upon our lives." We cannot resist the thought that he was "a man whose death would leave humanity the poorer in any age and in any part of the world." An embodiment of public spirit and self-sacrifice, "without self and without stain," he sacrificed himself at the altar of the motherland. His strong sense of duty, his devotion to his *guru*, his disinterested pursuit of patriotic ends caring for neither wealth nor station, his sweet reasonableness and transparent sincerity, his singleness of purpose, his mastery of detail and lucidity and cogency of argument, and, above all, his saintly character—these will make his name for ever remembered by all lovers of India. Mr. Gokhale often impressed it on his countrymen that "public life must be spiritualised." And he lived the life he preached.

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We have lost the outstanding figure in the great transition stage of modern India; a man whose abilities brought him to the forefront, and whose sense of right forced him into controversies of which we have not yet seen the end. But at this moment the dominant feeling among all who were brought into contact with him is, I think, that the value of a life and personality such as his—a record of single-minded devotion to an unselfish ideal and of ceaseless labour in its service over an almost unlimited field of activity—stand above and apart from all controversy. \* \* \*

One of the many remarkable characteristics of Mr. Gokhale was the degree to which he was able to combine enthusiasm for reform with a patient industry not too often found in close association with the first quality. But he never allowed his idealism and his infinite capacity for taking pains to interfere with one another; rather, they both served as a joint inspiration to the work he set before him. The result was that, whether one agreed or disagreed with him, he gave a sense of practicalness in his dealings which seemed to sweep away half the difficulties at the outset. \* \* \*

He impressed one as being among the most candid and unassuming of men and he was equally ready to give or to take advice where it seemed most serviceable. His mind possessed the qualities ascribed to statesmanship without overlosing the fire of its enthusiasms or its warm human interests. We feel that his loss touches deeply not only India but the Empire and the whole world of men whose thoughts move in harmony, whether they know it or not, with the spirit of the brotherhood of "The Servants of India." *From a Speech by the Rt. Hon. Mr. E. S. Montagu.*

PART I.

# COUNCIL SPEECHES

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SPEECHES DELIVERED IN

## THE IMPERIAL LEGISLATIVE COUNCIL.

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### BUDGET SPEECH, 1902.

*[This is the Hon. Mr. G. K. Gokhale's first Budget Speech at the Imperial Legislative Council, delivered on Wednesday, 26th March 1902, His Excellency Lord Curzon being President of the Council, and the Hon. Sir Edward Law being Finance Member.]*

YOUR EXCELLENCY, I fear I cannot conscientiously join in the congratulations which have been offered to the Hon'ble Finance Member on the huge surplus which the revised estimates show for last year. A surplus of seven crores of rupees is perfectly unprecedented in the history of Indian finance, and coming as it does on the top of a series of similar surpluses realised when the country has been admittedly passing through very trying times, it illustrates to my mind in a painfully clear manner the utter absence of a due correspondence between the condition of the people and the condition of the finances of the country. Indeed, my Lord, the more I think about this matter the more I feel—and I trust your Lordship will pardon me for speaking somewhat bluntly—that these surpluses constitute a double wrong to the community. They are a wrong in the first instance in that they exist at all—that Government should take so much more from the people than is needed in times of serious depression and suffering; and they are also a wrong, because they lend themselves to easy misinterpretation and, among

## 2 THE IMPERIAL LEGISLATIVE COUNCIL.

other things, render possible the phenomenal optimism of the Secretary of State for India, who seems to imagine that all is for the best in this best of lands. A slight examination of these surpluses suffices to show that they are mainly, almost entirely, currency surpluses, resulting from the fact that Government still maintain the same high level of taxation which they considered to be necessary to secure financial equilibrium when the rupee stood at its lowest. The year when the rupee touched this lowest exchange value was 1894-95, the average rate of exchange realised in that year being only 13·1*d.* to the rupee. Government, however, had in the face of the falling rupee, resolutely maintained an equilibrium between their revenue and expenditure by large and continuous additions to the taxation of the country, and thus even in the year 1894-95, when the rupee touched its lowest level, the national account-sheet showed a surplus of seventy lakhs of rupees. From this point onwards, the currency legislation, passed by Government in 1893, began to bear fruit and the exchange value of the rupee began to rise steadily. In 1895-96, the average rate of exchange realised was 13·64*d.* and the surplus secured was 1½ crores. In 1896-97 and 1897-98, the average rate of exchange was 14·45*d.* and 15·3*d.* respectively, but the years turned out to be famine years and the second year also one of a costly frontier war necessitating extraordinary expenditure for direct famine relief and military operations of 2·1 crores in the first year and 9·2 crores in the second. The result was that 1896-97 closed with a deficit of 1·7 crores and 1897-98 with a deficit of 5·36 crores. It will, however, be seen that if these extraordinary charges had not come upon the State, both years would have been years of surpluses, and the surplus for 1897-98 would have been close upon four crores of rupees. In 1898-99, exchange established itself in the neighbourhood of 16*d.*—the average rate realised during the year being 15·98*d.*—and the year closed with a balance of 3·96 crores of rupees, after providing a crore for military operations on the frontier—thus inaugurating the era of substantial surpluses. Now we all know that a rise of 3*d.* in the exchange value of the rupee—from 13*d.* to 16*d.*—means a saving of between four and five crores of rupees to

the Government of India on their Home Charges alone, and I think this fact is sufficient by itself to explain the huge surpluses of the last four or five years. The following figures are instructive, as showing the true position of our revenue and expenditure, on the new basis of an artificially appreciated rupee:—

Year.	Deficit or Surplus in crores of rupees.	Extraordi- nary charges for war and famine relief.	Total surplus but for the extra charges.	Remarks.
1897-98 ...	—5·36	9·21	3·85	A year of famine & war.
1898-99 ...	+3·96	1·09	5·05	Frontier operations.
1899-1900 ...	+4·16	3·5	7·66	A year of famine.
1900-01 ...	+2·5	6·35	8·85	Do.
1901-02 ...	+7	1	8	
<hr/> Total for 5 yrs. 12·26    21·15    33·41				or 6·68 a year.

If there had been no extra charges for war and famine, the national revenue on the basis of the new rupee would have been found to exceed the requirements of Government by about  $6\frac{3}{4}$  crores a year. Allowing for the savings effected in consequence of the absence of a portion of the troops in South Africa and China, as also for the generally reduced level of ordinary expenditure in famine times, and taking note of the fact that the opium revenue turned out somewhat better than was expected and might reasonably be relied on, we still may put down the excess of our present revenue over our present expenditure at about five crores of rupees, which is also the figure of the amount saved by Government on their Home Charges as a consequence of the exchange value of the rupee having risen from 13*d.* to 16*d.* Now, my Lord, I submit with all respect, that it is not a justifiable course to maintain taxation at the same high level when the rupee stands at 16*d.* that was thought to be necessary when it stood at 13*d.* During the last sixteen years, whenever deficits occurred, the Finance Member invariably attributed them to the falling rupee and resorted to the expedient of additional taxation, explaining that that was

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the only way to avoid national bankruptcy. During the first 12 years of this period, from 1885-86—when Sir Auckland Colvin told the Council in his Financial Statement almost in prophetic terms that affairs were ‘passing into a new phase,’ necessitating a reconsideration and revision of the fiscal status established in 1882—down to 1896-97, there was one continued and ceaseless struggle on the part of the Finance Department of the Government of India to maintain at all risks and hazards a ‘strong financial position’ in the face of a rapidly changing situation, and provide by anticipation against all possible dangers near and remote, fancied and real: and not a year passed—literally speaking—but heralded some change in the financial arrangements of the country. The famine grant was suspended for three successive years, 1886-87—1888-89, then reduced for two more, and permanently so in the last year of the period. Twice during these 12 years were the Provincial Contracts subjected to drastic revision (1887-88 and 1892-93), and the total gain secured to the Imperial Treasury on such revision and by a contraction of Provincial resources was full 1·10 crores (64 lakhs in 1887-88 and 46 lakhs in 1892-93). Furthermore, during the period, thrice (in 1886-87, 1890-91 and 1894-95) were the Provincial Administrations called upon to pay special contributions in aid of Imperial revenues. But the chief financial expedient employed to escape the supposed embarrassment of the time was continuous additions to the taxation of the country. Nine years out of these 12 witnessed the imposition of new taxes. First came the income-tax in 1886, and then followed in rapid succession the salt-duty enhancement of 1887-88 (June, 1888), the petroleum and patwari-taxes and extension of the income-tax to Burma in 1888-89, customs on imported liquors increased in 1889-90, the excise-duty on Indian beer in 1890-91, the import-duty on salt-fish in Burma in 1892-93, the re-imposition of the 5 per cent. *ad valorem* duties on imports, excluding cotton-goods, in 1893-94, and the extension of import-duties to cotton-goods in 1894-95. In 1896 there were changes in the tariff. The 5 per cent. import and excise duties on cotton-yarns were abolished and the import-duties on cotton-goods were reduced from

5 to  $3\frac{1}{2}$  per cent.—involving a sacrifice of 50 lakhs of rupees as a concession to the clamour of Manchester, but a countervailing excise of  $3\frac{1}{2}$  per cent. was imposed on cotton-goods of all counts manufactured in Indian mills. Lastly, came the imposition of countervailing duties on imports of bounty-fed sugar in 1899.

The total additional revenue raised by these measures of taxation during the past 16 years has been no less than 12·30 crores a year.

But this is not all. The land-tax, too, has come in its own automatic way for large augmentations during the period. Taking the ordinary revenue alone under the head, we find the increase has been 2·82 crores. One startling fact about these land-revenue collections is that during the six years from 1896-97 to 1901-02 (a period including the two greatest famines of the country) these collections actually averaged £17·43 millions a year as against £16·67 millions, the average for the six preceding years, *i.e.*, from 1890-91 to 1895-96!

Putting these two heads together, the total augmentation of public burdens during these years comes to over 15 crores.

Such continuous piling up of tax on tax, and such ceaseless adding to the burdens of a suffering people, is probably without precedent in the annals of finance. In India, it was only during the first few years following the troubles of the mutiny year that large additions were made to the taxation of the country; but the country was then on the flood-tied of a short-lived prosperity, and bore, though not without difficulty or complaint, the added burden. During the past 16 years the country has passed through a more severe phase of agricultural and industrial depression and yet it has been called upon to accept these fresh burdens—year after year—increasing without interruption, and all this with a view to ensuring and maintaining a ‘strong financial position’ proof against all assaults.

The broad result of this continued series of taxing measures has been to *fix the taxation of the country at a level*

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*far above the actual needs of the situation.* And it is the *fiscal status* so forced up and maintained, and not a normal expansion of revenue, that has enabled the financial administration during all these trying years not only to meet out of current revenues all sorts of charges, ordinary and extraordinary, but to present at the close of the period abounding surpluses which the richest nation in Europe might well envy.

*A taxation so forced* as not only to maintain a *budgetary equilibrium* but to yield as well 'large, continuous, progressive surpluses'—even in years of trial and suffering—is, I submit, against all accepted canons of finance. In European countries, extraordinary charges are usually met out of borrowings, the object being to avoid, even in times of pressure, impeding the even, normal development of trade and industry by any sudden or large additions to the weight of public burdens. In India, where the economic side of such questions finds such scant recognition, and the principle of meeting the charges of the year with the resources of the year is carried to a logical extreme, the anxiety of the Financial Administration is not only to make both ends meet in good and bad years alike, but to present large surpluses year after year. The Hon'ble Finance Member remarks in his Budget Statement under 'Army Services':

It must be remembered that India is defraying from revenues the cost of undertaking both re-armament and the reform of military re-organisation in important departments. I believe that this is an undertaking which has not been attempted by other countries without the assistance of loans in some form or other. Even in England, extraordinary military requirements for fortifications and barracks have been met by loans for short terms of years repayable by instalments out of revenues. If profiting by a period of political tranquillity we can accomplish this task without the raising of a loan and the imposition of a permanent burden on future generations, I think that we shall be able to congratulate ourselves on having done that which even the richest nations of Europe *have not considered it* advisable to attempt.

Every word of this citation invites comment. How comes it that India is doing in regard to these extraordinary charges that which even the richest nations of Europe have not considered it advisable to attempt? The obvious.

answer is that in those countries it is the popular assemblies that control taxation and expenditure: in India the tax-payer has no constitutional voice in the shaping of these things. If we had any votes to give, and the Government of the country had been carried on by an alternation of power between two parties, both alike anxious to conciliate us and bid for our support, the Hon'ble Member would assuredly have told a different tale. But I venture to submit, my Lord, that the consideration which the people of Western countries receive in consequence of their voting power should be available to us, in matters of finance at any rate, through an 'intelligent anticipation'—to use a phrase of Your Lordship's—of our reasonable wishes on the part of Government.

But even thus—after doing what the richest nations of Europe shrink from attempting—meeting all sorts of extraordinary charges, amounting to about 70 crores in sixteen years out of current revenues—we have 'large, continuous, progressive surpluses,' and this only shows, as Colonel Chesney points out in the March number of the *Nineteenth Century and After*, that more money is being taken from the people than is right, necessary or advisable, or, in other words, the weight of public taxation has been fixed and maintained at an *unjustifiably* high level. Taxation for financial equilibrium is what we all can understand, but taxation kept up in the face of the difficulties and misfortunes of a period of excessive depression and for 'large, continuous and progressive surpluses' is evidently a matter which requires justification. At all events, those who have followed the course of the financial history of the period will admit that the fact viewed *per se* that 'such large, continuous and progressive surpluses,' have occurred during the period—as a result not of a normal expansion of fiscal resources but of a forced up and heavy taxation—does not connote, as Lord George Hamilton contends, any advancing material prosperity of the country or argue any marvellous recuperative power on the part of the masses—as the Hon'ble Sir Edward Law urged last year. To them, at any rate, the apparent paradox of a *suffering country* and an *overflowing treasury* stands easily



explained and is a clear proof of the fact that the level of national taxation is kept unjustifiably high, even when Government are in a position to lower that level.

This being my view of the whole question, it was to me, I need hardly say, a matter of the deepest regret that Government had not seen their way, in spite of four continuous years of huge surpluses, to take off a portion at any rate of the heavy burdens which had been imposed upon the country during the last sixteen years. Of course the whole country will feel grateful for the remission of close upon two crores of the arrears of land-revenue. The measure is a bold, generous and welcome departure from the usual policy of clinging to the arrears of famine times, till a portion of them has to be abandoned owing to the sheer impossibility of realising them, after they have been allowed to hang over the unfortunate raiyat's head, destroying his peace of mind and taking away from him heart and hope. The special grant of 40 lakhs of rupees to education will also be much appreciated throughout the country. But my quarrel is with the exceedingly cautious manner—a caution, I would venture to say, bordering on needless timidity—in which my Hon'ble friend has framed the Budget proposals for next year. Why should he, with four continuous years of fat surpluses to guide him, and no special cloud threatening his horizon, budget for a surplus of only  $1\frac{1}{4}$  crores, when three times the amount would have been nearer the mark and that, again, as calculated by a reasonably cautious standard? If he had only recognised the ordinary facts of our finance, as disclosed by the surpluses of the last four years, he would have, among other things, been able to take off the additional 8 annas of salt-duty, raise the taxable minimum of the income-tax to at least Rs. 1,000 a year, abolish the excise-duty on cotton goods and yet show a substantial surplus for the year. And, my Lord, the reduction of taxation in these three directions is the very least that Government could do for the people after the uncomplaining manner in which they have borne burden after burden during the last sixteen years. The desirability of raising the exemption limit of the income-tax has been frequently

admitted on behalf of Government, and, amongst others, by yourself in Your Lordship's first Budget Speech. The abolition of the excise on cotton-goods is urgently needed not only in the interests of the cotton-industry, which is at present in a state of dreadful depression, in large measure due to the currency legislation of Government, but also as an act of the barest justice to the struggling millions of our poor, on whom a portion of the burden eventually falls, who have been hit the hardest during recent years by famine and plague, by agricultural and industrial depression and the currency legislation of the State, and who are now literally gasping for relief. In this connection I would especially invite the attention of Government to a speech delivered at the annual meeting of the Bombay Chamber of Commerce by my friend the Hon'ble Mr. Moses—a by no means unfriendly critic of Government, and one who enjoys their confidence as also that of the public. Mr. Moses in that speech describes with much clearness and force the great injury which the currency legislation of Government has done to our rising cotton-industry. That industry, he tells us, has now 'reached the brink of bankruptcy,' no less than fourteen mills being about to be liquidated, and some of them, brand new ones, being knocked down to the hammer for a third only of their original cost. Mr. Moses also speaks of the severely adverse manner in which the new currency has affected the economic position of the mass of our countrymen. As regards the reduction of salt-duty, I do not think any words are needed from any one to establish the unquestioned hardship which the present rate imposes upon the poorest of the poor of our community. Government themselves have repeatedly admitted the hardship; but in these days, when we are all apt to have short memories, I think it will be useful to recall some of the utterances, of men responsible for the Government of India in the matter. In 1888, when the duty was enhanced, Sir James Westland, the Finance Member, speaking on behalf of the Government of India, said:—"It is with the greatest reluctance that Government finds itself obliged to have recourse to the salt-duty." Sir John Gorst, Under-Secretary of State for India, speaking a few days

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later in the House of Commons, referred to the matter in similar terms of regret. Lord Cross, then Secretary of State for India, in his Despatch to the Government of India, dated 12th April, 1888, wrote as follows :

I do not . . . propose to comment at length on any of the measures adopted by your Government except the general increase in the duty of salt. While I do not dispute the conclusion of your Government that such an increase was, under existing circumstances, unavoidable, I am strongly of opinion *that it should be looked upon as temporary and that no effort should be spared to reduce the general duty as speedily as possible to the former rate.*

His Lordship further urged upon the attention of the Government of India the following weighty considerations on the point :—

I will not dwell on the great regret with which I should at any time regard the imposition of additional burden on the poorest classes of the population, through the taxation of a necessary of life ; but, apart from all general considerations of what is in such respects right and equitable, there are, as Your Excellency is well aware, in the case of the salt-duty in India, weighty reasons for keeping it at as low a rate as possible. The policy enunciated by the Government in 1877 was to give to the people throughout India the means of obtaining an unlimited supply of salt at a very cheap rate ; it being held that the interests of the people and of the public revenue were identical and that the proper system was to levy a low duty on an unrestricted consumption. The success of that policy hitherto has been remarkable ; while the duty has been greatly reduced, the consumption through this and other causes has largely increased.....The revenue is larger now than it was before the reforms commenced in 1877, and I see no reason to doubt that the consumption will continue to increase, if it be not checked by enhancement of the tax.

Speaking again at a public meeting in England, Lord Cross took occasion to repeat his views that ‘ he was convinced that *the earliest occasion should be taken to abrogate the increase in the salt-tax*’ (February 28, 1889). In March of the same year, Sir David Barbour, speaking in the Viceregal Council with special reference to a proposal for the abolition of the income-tax, observed :—

I think it would be an injustice so gross as to amount to a scandal if the Government were to take off the income-tax while retaining the salt-duty at its present figure.

In 1890 Sir John Gorst, in his speech on the Indian Budget in the House of Commons (August 14, 1890), remarked: '*The tax (on salt) was no doubt a tax which ought to be removed and would be removed as soon as it should be financially possible to do so.*' Similarly, Lord George Hamilton himself, in a speech on the Indian Budget Statement in the House of Commons (September 4, 1895) emphasised the necessity for reducing the salt-duty as early as possible pointing out that no other tax pressed so heavily on the Indian people. In view of these repeated declarations, it is a matter for great surprise, no less than for intense regret and disappointment, that Government have not taken the present opportunity to reduce a rate of duty, admittedly oppressive, on a prime necessary of life, which, as the late Professor Fawcett justly urged, should be 'as free as the air we breathe and the water we drink.' It may be noted that the consumption of salt during the last fourteen years has been almost stationary, not even keeping pace with the normal growth of population—showing a rise of less than 6 per cent. in fourteen years against a rise of 18 per cent. in four years following the reduction of duty in 1882—and that the average consumption of the article in India is admittedly less than is needed for purposes of healthful existence.

My Lord, the obligation to remit taxation in years for assured surpluses goes, I believe, with the right to demand additional revenues from the people in times of financial embarrassment. A succession of large surpluses is little conducive to economy and is apt to demoralise even the most conscientious Governments by the temptation it offers for indulging in extravagant expenditure. This is true of all countries, but it is specially true of countries like India where public revenues are administered under no sense of responsibility, such as exist in the West, to the governed. A severe economy, a rigorous retrenchment of expenditure in all branches of the Administration, consistently, of course, with the maintenance of a proper standard of efficiency, ought always to be the most leading feature—the true governing principle—of Indian finance,

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the object being to keep the level of public taxation as low as possible, so as to leave the springs of national industry free play and room for unhampered movement. Such a course is also imperatively demanded by the currency policy which has been recently adopted by Government. That policy has, no doubt, given the country a stable exchange and brought relief to the Finance Member from his usual anxieties; but when the final adjustment of prices takes place, as is bound sooner or later to happen, it will be found that a crushing burden has been imposed upon the vast majority of tax-payers in the country. It is true that general prices have not been as quick to adjust themselves to the new artificially appreciated rupee, as the rupee itself has been to respond to the restrictions put upon its production. This was, however, to be expected, as the force of tradition in a backward country like India was bound to take time to be overcome. Famine conditions during the last few years also retarded adjustment, but there is no doubt that there would be a general fall of prices sooner or later corresponding to the artificial appreciation of the rupee. And when that happens, Government will be taking about 40 per cent. more in taxation from producers in this land and paying to its servants a similarly augmented remuneration. This will be a terrible burden for the masses of the country to bear. Already, during the last few years of famine, they have had to suffer most serious losses in converting their stock of silver into rupees when the rupee had grown dearer, but its purchasing power had not correspondingly increased. When the expected adjustment of general price takes place, one curious result of it will be, the Government will have made a present to money-lenders of about 40 per cent. of the loans which these money-lenders have made to agriculturists—a result which surely Government could never have desired. In view of the great injury which the currency policy of Government has thus done and will do as its results unfold themselves more and more to the agriculturists and other producers of this country, I submit Government are bound to make to them such slight reparation as is possible by reducing the level of taxation as low as circumstances may permit.

My Lord, in considering the level of taxation in India and the administration of the revenues so raised, it is, I think, necessary to bear in mind two root facts (1) that it is the finance of a country, a considerable part of whose revenues is, by reason of its political and military necessities, spent outside its borders and *ipso facto* brings no commercial equivalent to the country; and (2) that it is the finance of a country which is not only 'poor, very poor,' as Lord George Hamilton admits, but the bulk of whose population is daily growing poorer under the play of the economic forces which have been brought into existence by British rule. It is true that the fact of this growing poverty of our people finds no official recognition, and we have even assurances from the highest quarters of her advancing prosperity. With all due deference, however, I venture to submit that we, who live in the midst of the hard actualities of a hard situation, feel that any such comforting views of the condition of the Indian people are without warrant in the facts of the case and we deem it our duty to urge, on behalf of the struggling masses no less than in the interests of good administration, that this fact of a deep and deepening poverty in the country should be frankly recognised, so that the energies of the Government might be directed towards undertaking remedial measures. The Hon'ble Finance Member sees in last year's Customs returns a sign of the advancing prosperity of the people. Now, apart from the fact that it is unsafe to draw conclusions from the returns for any single year, since the imports of particular years often only technically belong to that year, there is, I submit, nothing in the returns of last year to bear out my Hon'ble friend's contention. The bulk of our countrymen, whose economic condition is the point at issue, have nothing to do with the imports of sugar or cotton manufactures, which now are practically only the finer fabrics. The silver imported also could not have concerned them since last year was a famine year, and the poorer classes, instead of buying any silver, parted over large areas with the greater portion of what they possessed. The increase in the imports of petroleum only means the larger replacement of country-oil by petroleum—a thing due to the enterprise of certain

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English companies that sell petroleum in this country and the opening up of new tracts by railways. Petroleum is also in some places now being used for cooking purposes in place of fuel. I do not think, therefore, that the Hon'ble Member is justified in drawing from last year's Customs returns the conclusion which he draws from them. The growth under Land-revenue, Excise and Stamps is sometimes mentioned as indicating increasing prosperity. But the growth of Land-revenue is a forced compulsory growth. It is a one-sided arrangement, and the people have either to pay the increased demand or give up their land and thereby part with the only resource they have. The growth of Excise-revenue, to the extent to which it is secured by increased consumption, only shows that the operations of the Abkari Department, with its tender solicitude for the interest of the legitimate consumer—a person not recognised by the State in India in pre-British times—are leading to increased drunkenness in the land. This, of course, means increased misery and is thus the very reverse of an indication of increasing prosperity. Liquor is not like ordinary articles of consumption, which a man buys more or less as his means are larger or smaller. When a man takes to drink, he will go without food, and will sacrifice wife and children, if necessary, but he will insist on satisfying his craving for the spirituous poison. Similarly, an increase of revenue under Stamps only means an increase in litigation, which undoubtedly shows that the people are quarrelling more, but which is no proof of their growing riches. No, my Lord, the only taxes whose proceeds supply any indication of the material condition of the people are the income-tax and the salt-tax—the former, roughly speaking, for the middle and upper classes and the latter for the masses. Now, the revenue under both these heads has been more or less stationary all these years, and the salt-revenue has not even kept pace with the normal growth of the population. They, therefore, lend no support to the contention that the people are advancing in material prosperity.

My Lord, Your Lordship was pleased to deal with this question at some length in the Budget discussion of

last year, and, after analysing certain figures, Your Lordship expressed the opinion that the 'movement is, for the present, distinctly in a forward and not in a retrograde direction.' The limitations of the method adopted in that investigation were, however, frankly recognised by Your Lordship. I think, my Lord, the attempt to determine the average income per head for a given population is useful only for the purpose of obtaining a statistical view of the economic condition of that people. And from this point of view, our average income, whether it works out to Rs. 18 or Rs. 20 or Rs. 27 or Rs. 30 per head, is exceedingly small and shows that we are an exceedingly poor people. But when these calculations are used for taking a dynamical view of the economic situation, the method is open to serious objection, as the necessarily conjectural character of many of the data renders them of little value for such a purpose. But, though the determination of the average income per head in a manner satisfactory to all is an impossible task, there is, I submit, ample evidence of another kind which can help us to a correct understanding of the problem. And this evidence, I venture to say, points unmistakably to the fact that the mass of our people are not only not progressing, but are actually receding in the matter of material prosperity. I have here certain tables,\* compiled from official publications, relating to (1) census returns, (2) vital statistics, (3) salt consumption, (4) the agricultural out-turn of the last sixteen years, (5) cropped area in British India, (6) area under certain superior crops, and (7) exports and imports of certain commodities, and they establish the following propositions:—

(1) that the growth of the population in the last decade has been much less than what it should have been, and that in some Provinces there has been an actual decline in the population;

(2) that the death-rate per *mille* has been steadily rising since 1884, which points to a steadily increasing number of the people being under-fed;

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\* *Vide* Appendix II



(3) the consumption of the salt, which already in this country is below the standard required for healthy existence, has not kept pace with even this meagre growth of population;

(4) that the last decade has been a period of severe agricultural depression all over India;

(5) that the net cropped area is diminishing in the older Provinces;

(6) that the area under superior crops is showing a regrettable diminution;

(7) the export and import figures tell the same tale, *viz.*, that the cultivation of superior crops is diminishing. Cattle are perishing in large numbers.

The losses of the agricultural community, owing to the destruction of crops and cattle and in other ways during the famines of the last five years, have been estimated at something like 300 crores of rupees. There is, again, indisputable evidence as to the fast-proceeding exhaustion of the soil through continuous cropping and for the most part unmanured tillage. Sir James Caird wrote strongly on the point, remarking :

Crop follows crop without intermission, so that Indian agriculture is becoming simply a process of exhaustion.

Dr. Voelcker expressed a similar view. The indebtedness of the agricultural classes is also alarmingly on the increase. Mr. Baines, writing about the North-Western Provinces and Oudh, says :—

Of the peasantry, it is estimated that nearly three-fourths have to go to the money-lender to enable them to tide over the interval between the spring and the autumn season.

As regards Bombay, the MacDonnell Commission write :—

At least one-fourth of the cultivators in the Bombay Presidency have lost possession of their lands, less than a fifteenth are free from debt and the remainder are indebted to a greater or less extent.

Similar evidence, I believe, is forthcoming about the Punjab and the Central Provinces.

These and similar facts, taken cumulatively, lead, and lead irresistably, to the conclusion that the material condition of the mass of the people in India is steadily deteriorating, and I grieve to say that the phenomenon is the saddest in the whole range of the economic history of the world. Here is a peasantry which, taken all in all, is inferior to no other people in industry, frugality and patient suffering. It has enjoyed the blessing of uninterrupted peace for half a century, and at the end of the period the bulk of them are found to be in a worse plight than they have ever been in. I submit, my Lord, that a fact, so startling and so painful demands the earnest and immediate attention of Government, and I venture to believe that Government cannot afford to put off facing the situation any longer. An enquiry into the condition of a few typical villages has been suggested, and, if undertaken, will certainly clear many of the prevailing misapprehensions on the subject. It is urged on behalf of Government that no such inquiry is needed, because similar inquiries have been already made in the past. There is no doubt that inquiries of some sort have been made, and Government have in their possession a large body of valuable information on the subject—information which unfortunately they insist on withholding from the public. Why this should be so is difficult to understand as the field is exclusively economic and Government ought to welcome the co-operation of non-official students of the subject in understanding and interpreting the economic phenomena of the country. I venture to think that if the papers connected with the Cromer inquiry of 1882, the Dufferin inquiry of 1887-88 and the confidential inquiry undertaken in 1891-92 were published, much valuable assistance would be afforded to the public by Government. The same remark applies to the statistical memorandum and notes on the condition of lower classes in the rural parts furnished to the Famine Commission of 1898 by the Provincial Governments, the official memorandum referred to by Your Lordship in the Budget discussion of last

year, 'worked out from figures collected for the Famine Commission of 1898,' the Appendices to the Report of the Famine Commission of 1901 and the official Memorandum on agricultural indebtedness referred to by the present Lieutenant-Governor of the Punjab in his speech on the Punjab Land Alienation Bill—all of which documents have been kept confidential without any intelligible excuse. I think Your Lordship will have done much to bring about a truer appreciation of the economic situation in the country, if you will see your way to publishing these valuable papers and documents, which there is really no reason for withholding from the public.

My Lord, I have so far tried to show (1) that the huge surpluses of the last four years are in reality only currency surpluses; (2) that the taxation of the country is maintained at an unjustifiably high level and ought to be reduced; and (3) that India is not only a 'poor, very poor' country, but that its poverty is steadily growing, and in the administration of its finances, therefore, due regard must always be had to this central, all-important fact. Since the close of the beneficent Viceroyalty of Lord Ripon, however, our finances have been so managed as to lend support to the view that other interests take precedence of Indian interests in the administration of Indian revenues. Thus large sums have been spent out of our meagre revenues on conquest and territorial expansion, which have extended England's dominion but have brought no benefit to the people of India. The English mercantile classes have been conciliated by undertaking the construction of railways on an unprecedentedly large scale—programme following programme in breathless succession—sometimes in spite of the protests of the Finance Member—a policy which, whatever its advantages, has helped to destroy more and more the few struggling non-agricultural industries that the country possessed and throw a steadily increasing number on the single precarious resources of agriculture. And this railway expansion has gone on while irrigation, in which the country is deeply interested, has been more or less neglected. The interests of the services were allowed to prevail, first, in the concession

made to uncovenanted Civilians enabling them to draw their pensions at the high rate of 1s. 9d. a rupee, and then in the grant of exchange compensation allowance to all European officers, civil and military. Military expenditure has grown by nearly 6·5 crores a year during the period, and will increase by 1½ crores more on account of the new increase in the European soldier's pay, and the burden of Home Charges has grown by over 3 millions sterling. And all this while the expenditure on education from Provincial Revenues rose only by a paltry 20 lakhs or so, and domestic reforms in other directions have been neglected to a greater or less extent. There has been much talk about the growing indebtedness of the agricultural population, but no remedial action of a really helpful character, involving any outlay on the part of the State, has been undertaken. Happily, a change for the better again seems to have come upon the Government during the last three years. Your Excellency has placed the Frontier question on a satisfactory basis, and this is all the more remarkable because a certain vigorous speech of Your Lordship's delivered long before there was any idea of your being entrusted with the highest office in this country, had seemed to commit Your Lordship to the views of the Forward School. The recent Resolution on the land question, however, one may disagree with the controversial part of it, is conceived in a spirit of large-hearted sympathy with the struggling poor, and if the generous principles that it lays down for the future guidance of Local Governments are loyally carried out, they will win for the Government the deep gratitude of the people. In this connection I may venture to state that, so far as my Presidency is concerned, the Supreme Government has admitted the correctness of most of our contentions. Thus it is admitted that the pitch of assessment is too high in Gujarat. In the matter of revision enhancements, it is frankly stated that deviations from the rules have occurred in the past. In paragraph 37, it is strongly urged that in tracts where agricultural deterioration has, owing to whatever causes, taken place, there ought to be reduction of the State demand as a necessary measure of relief; and it is freely admitted that 'there have been cases in which a reduction

was not granted till the troubles of the people had been aggravated by their efforts to provide the full fixed demand.' Lastly, greater elasticity is now promised in revenue-collection, facilitating its adjustment to the variations of the seasons and the circumstances of the people. After these frank admissions and generous assurances, it is somewhat interesting to recall a speech of the Revenue Member of the Bombay Government delivered two years ago in the Bombay Legislative Council, in which he told us in reply to our suggestion that the principle of individual inquiry should be abandoned in respect of areas where the crop-failure was general, that a contract was a contract, and that, though Government chose to help those whom it considered most in need of relief, no one could claim such relief as a matter of course. As regards irrigation, it is clear that its claims will receive fair recognition at Your Lordship's hands in the near future. The questions of Police Reform, of Provincial Finance, Agricultural Banks and of Primary, Industrial and Agricultural Education are all evidently receiving Your Excellency's earnest attention. One feels that there is something in the air which indicates that, after sixteen years, questions of domestic reform will once more resume their proper place in the councils of the Government of India, and the heart owns to a strange flutter of hope, not unmingled with a fear of disappointment, because three years of Your Lordship's term are gone and no one can say how much may be actually accomplished in the two that remain. My Lord, the country is confronted with an economic crisis of unparalleled severity and no mere half-measures will be found to be of much avail. Not 'efficiency' merely, but 'bold and generous statesmanship' must now be written on the slate of the Indian Viceroy. If Prussia could in the course of the last century raise its serf-population to the position of a strong and flourishing peasantry, I do not see why English statesmen should allow the free peasantry of India gradually to sink to the level of serfs. If the State demand were permanently fixed in the older Provinces, where the conditions laid down in Sir Stafford Northcote's despatch of 1867 have been fulfilled, the measure, I am persuaded, would prove a great boon to the people. A.

correspondent of the *Times of India*—a journal which has rendered during these trying times signal services to the agriculturists of the Bombay Presidency—in a series of letters which have attracted general attention has demonstrated in a forcible manner the mischievous effects of the present policy of periodical revisions—how improvements are taxed in spite of statutes and rules at every periodical revision, how lands which can leave no margin for the payment of assessment are assessed all the same, and how the condition of the agricultural community is steadily deteriorating. Permanent settlement in raiyatwari tracts cannot be open to the objection that it is asking the State to surrender a prospective revenue in favour of a few individual's.' I admit that such a measure by itself, may not suffice to improve the condition of the agriculturists, and that it will be necessary in addition to provide for them cheap money and enable them to compound in some manner with their creditors. If all these measures are taken, they will give the peasantry of the country a real, fresh start, and then Government might even place some restrictions on the raiyat's power of free alienation. I am aware that the recent Resolution of the Government of India makes a definite pronouncement against permanent settlement, and that it speaks in terms of disapproval of the permanent settlement granted in Bengal by Lord Cornwallis. It seems to be forgotten, however, that the policy which Lord Cornwallis carried out was William Pitt's policy, and that that great statesman made the land-tax permanent in England at the same time that he asked the Governor-General of India to grant permanent settlement to Bengal. Those, however, who condemn the Bengal settlement have no fault to find with Pitt's fixing the land-tax in perpetuity in England. It is true that Your Lordship's Government has declared itself against permanent settlement, but a position that has been reversed once may be reversed again, and I am not without hope that the wisdom of the proposals of Halifax and Northcote, of Canning and Lawrence—most honoured names among the administrators of India—may come to be appreciated better on some future day. Then the question of mass education must be undertaken in right

earnest, and, if it is so undertaken, the present expenditure of Government on public education will require a vast increase. My Lord, it is a melancholy fact that while with us nine children out of every ten are growing up in ignorance and darkness, and four villages out of every five are without a school, our educational expenditure has been almost marking time for many years past; whereas in England, where every child of school-going age must attend a school, the Government expenditure on education has mounted from  $4\frac{1}{2}$  millions to  $11\frac{1}{2}$  millions sterling in the course of 15 years, and Lord Roseberry is not yet satisfied! It may be asked how can the two things that I advocate simultaneously be achieved together, namely, a considerable reduction of taxation and a large increase in the outlay on education and other domestic reforms? My answer is that the only way to attain both objects simultaneously is to reduce the overgrown military expenditure of the country. My Lord, when the strength of the Army was increased in 1885 by troops in spite of the protest of the Finance and the Law Members of the Government of India, it was pointed out by those two officers that the then existing strength of the Army was really sufficient for all purposes of India—for keeping quiet within the borders and repelling aggression from abroad, and that if the contemplated increase was effected, it would only constitute a temptation to the Indian Government to undertake undesirable schemes of territorial aggrandizement. The Army Commission of 1879, after an exhaustive inquiry, had come to the same conclusion, viz., that the then strength of the Army was sufficient not merely for the work of maintaining internal peace but also for repelling foreign aggression, even if Russia acted *with Afghanistan as an ally*. But the scare of a conflict with Russia was then so great that it carried everything before it, and the proposed additions to the Army were made in India. It may be noted that it was not only in India but in other parts of the British Empire too that large and sudden additions were then made to the existing garrisons, Mr. Gladstone obtaining a large vote of credit for the purpose. But the remarkable circumstance is that, whereas everywhere else the garrisons were reduced to

their old proportions as soon as the scare passed away, in India alone the burden came to stay. The result of that was that the prophecy of Sir Auckland Colvin and his colleagues was fulfilled with painful promptitude, and within a year after the increases were made Upper Burma was invaded, conquered and annexed. Well, my Lord, the contention that the additional troops were not wanted for Indian purposes is again forcibly illustrated by the fact that during the last two years over 20,000 troops are engaged outside India in doing the work of the Imperial Government, and that, though one of these two years saw the severest famine of the last century, the peace of the country has continued absolutely unbroken. I am aware that in one of your first speeches in this Council, Your Excellency was pleased to declare that so long as you were at the helm of affairs in India, no suggestion for a reduction of the strength of the Army would meet with any support at the hands of the Indian Government. Now, even if an opinion, expressed three years ago, be not liable to modification to-day, what we urge is, I submit, not necessarily a reduction of the strength of the Army located in India, but a reduction of its cost to the Indian people. What strength of the Army should be maintained in India is a question of high Imperial policy in which we are not allowed a voice. But this, I think, we may claim, that if the strength maintained is in excess of India's own requirements, as it is now plainly proved to be, the cost of the excess portion should, as a mere matter of justice, be borne by the Imperial Government. Even on the narrower ground that the Army in India is required for the maintenance of British rule, England, I submit, is as much interested in the maintenance of this rule here as we are, and so it is only fair that a portion of the cost should be borne on the English estimates. If this were done and if Indians were more widely employed in the public service of the country—more particularly in the special departments—Government will be able to reduce taxation and yet find money for more education, better Provincial finance, active efforts for the industrial development of India after the manner of the Japanese Government, and various other schemes of internal reform. Then will



Indian finance be really placed on a truly sound basis, and then will our public revenues be administered as those of a poor country like India should be administered. My Lord, Your Lordship spoke the other day in terms of striking eloquence of the need there is of Indians now giving up narrow views or limited ideals and feeling for the Empire with Englishmen that new, composite patriotism which the situation demands. Now that is an aspiration which is dear to the heart of many of us also. But the fusion of interest between the two races will have to be much greater and the people of India allowed a more definite and a more intelligible place in the Empire before that aspiration is realised. Let Englishmen exercise a certain amount of imagination and put themselves mentally into our place, and they will be able to better appreciate our feelings in the matter. It has been said that a little kindness goes a long way with the people of India. That, I think, is perfectly true. Who, for instance, ever thought of casting a doubt on the loyalty of the Indian Press in the time of Lord Ripon? There was strong language used then as now in the Press, but it was not in the Indian section of it. What, my Lord, is needed is that we should be enabled to feel that we have a Government national in spirit though foreign in *personnel*—a Government which subordinates all other considerations to the welfare of the Indian people, which resents the indignities offered to Indians abroad as though they were offered to Englishmen, and which endeavours by all means in its power to further the moral and material interests of the people in India and outside India. The statesman who evokes such a feeling among the Indian people will render a great and glorious service to this country and will secure for himself an abiding place in the hearts of our people. Nay, he will do more—he will serve his own country in a true spirit of Imperialism—not the narrower Imperialism which regards the world as though it was made for one race only and looks upon subject races as if they were intended to be mere footstools of that race—but that nobler Imperialism which would enable all who are included in the Empire to share equally in its blessings and honours. My Lord, I have said all this before Your Lordship not merely

because you happen to be Viceroy of India at the present moment, but also because every one feels that Your Lordship is destined for even higher honours and for positions of greater responsibility and influence on your return to your native land. And, if this anticipation is realised, Your Lordship will be in a position—even more so than to-day—to influence the character of the Government of this country in the direction we so ardently desire. In this hope I have spoken to-day, and I respectfully trust Your Lordship will forgive me if here and there I have spoken with a frankness which may appear to be somewhat unusual, but which, in my humble opinion, is one of the highest forms which true loyalty can take.

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## APPENDIX.

### The Census.

#### *Population of British India in Millions.*

Census of 1881...1891-04	Increase during the decade,
" " 1891...1901-05	22·1 millions=11·3 per cent.
" " 1901...1911-01	Increase 9·76 millions=4·4 per cent.

A fall-off during the past decade, as compared with the previous decade— 12·55 millions=6·9 percentage.

	1891.	1901.	Increase or decrease.	Percentage of increase or decrease.	Remarks.
A. Assam	15·95	18·25	+2·30	14	Normal increase.
Sind					
Lower Burma					
Upper Burma					
B. Bengal	118·24	122·40	+4·17	3·5	7·0 millions less.
N.-W. Provinces					
Oudh					
C. Bombay	29·65	27·72	-1·73	-5	4·7 millions less.
Central Provinces, Berar					
D. Punjab	53·49	60·64	+4·15	7	1·4 millions less.
Mad ras.					

A—showing a normal development.

B & D have a total increase of 8·3 millions on an aggregate roll of 174·7 millions.

C has lost 1·7 millions in lieu of a normal increase of 3 millions =4·7 millions the total loss.

### Vital Statistics.

Year.	Total deaths in millions.	Ratio per milli.	Remarks.
1882	4·757	23·17	Average for five years (1882-86), 24·84.
1883	4·595	23·17	
1884	5·237	26·44	
1885	5·182	26·12	
1886	5·016	25·34	

Year.	Total deaths in millions.	Ratio per <i>mill.</i>	Remarks.
1887	5·508	28·35	Average for five years (1887-91), 28·56.
1888	5·087	25·74	
1889	5·534	27·98	
1890	5·858	30·27	
1891	5·896	30·49	
1892	6·942	32·40	Average for four years (1892-95), 30·26.
1893	5·498	25·75	
1894	7·258	33·97	
1895	6·178	28·94	Average for four years (1895-99, a period of plague and famine), 31·14.
1896	6·814	32·09	
1897	7·658	36·03	
1898	5·669	26·44	
1899	6·437	30·01	

The figures for years subsequent to 1899 are not yet available, but the mortality during the famine of 1900-01 has been admittedly dreadful in certain parts of India.

### Salt Consumption.

Year.	Total consumption in millions of maunds.
1881-82	28·37
1882-83	29·79
1883-84	30·65
1884-85	33·00
1885-86	31·69
1886-87	33·72

Increase in 5 years succeeding reduction of duty=5·35 million maunds or 18 per cent.

1886-87	33·72	During the four years since 1887-88, when the duty was enhanced, a steady decline in consumption took place, though the population of Upper Burma was added to the whole consuming population.
1887-88	33·063	
1888-89	31·351	
1889-90	33·046	
1890-91	33·280	
1891-92	34·429	A slight advance
1892-93	35·057	
1893-94	33·628	
1894-95	34·150	
1895-96	34·685	
1896-97	34·062	
1897-98	34·524	
1898-99	35·26	
1899-1900	35·05	
1900-1901	35·72	

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During the 14 years since 1886-87 the consumption has increased from 33·72 to 35·72 million maunds, *i.e.*, just 2 million maunds or less than 6 *per cent*.

The consumption has not kept pace even with the advance in population and shows no development whatever, such as is exhibited during the five years which followed the reduction of the salt-duty in 1882-83.

### Summary of Agricultural History since 1884-85.

During this period, there has been not only no advance in any of the older provinces but a positive retrogression in all the more important elements of moral well-being.

*Punjab*.—Seven years of agricultural depression out of fourteen; a fall off in cropped areas under rice, wheat, sugarcane and cotton; the crop yield in several years below average.

*N.-W. Provinces*.—Six bad years out of fourteen; a decline in rice, wheat, sugarcane, cotton and indigo areas; 1892-97 were years of deficient harvests.

*Oudh*.—Six bad years; cropped areas stationary with a tendency to a fall off in cotton and sugarcane.

*Bengal*.—Ten years of agricultural depression out of fourteen years of deficient harvest as well as diminished yield.

*Central Provinces*.—Seven bad years; seven years of diminished cropped acreages and reduced crop yield during the past decade; cattle mortality very heavy—3,898 million head of cattle having perished during 1896-99.

*Bombay*.—The whole decade 1889-99-1900 was a bad decade for the Presidency; six bad years culminating in the famines of 1896-98 and 1899-01, the worst famines on record; in the Deccan particularly scarcely a full crop during the past sixteen years.

*Madras*.—Four bad years ; a stationary state of things during the past decade with a decline in cotton and sugar-cane areas.

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Two famines : Famine of 1896-98—population affected 45·7 millions ; the maximum number on relief 3·89 millions = 8 per cent. nearly.

Famine of 1899-1901 ; population affected 25·1 millions ; the maximum number on relief 4·60 millions = 18 per cent.

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### Cropped Area in British India.

Year	Total cropped area.	Double-crop.	Net cropped area.	Irrigated area.
1890-91	217·622	23·246	194·413	28·30
1891-92	210·965	23·182	187·781	27·23
1892-93	221·224	23·305	195·918	26·83
1893-94	225·447	23·077	197·370	26·70
1894-95	223·761	27·160	196·600	28·82
1895-96	213·867	24·905	188·922	26·73
1896-97	200·416	22·905	177·512	29·36
1897-98	223·742	27·245	196·497	30·41
1898-99	223·834	27·166	196·487	30·41
1899-1900	203·895	23·745	180·151	31·54

1890-91 194·413 million acres.

1898-99 196·487       "       "

Increase :—2·074 million acres only.

Increased acreages in <i>Sind, Assam, Upper and Lower Burma, Coorg and Ajmir.</i>	} 5·34 million acres.
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Therefore, elsewhere a decrease of 3·26 million acres in the older Provinces.

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Thus in the older provinces, the net cropped acreage has fallen off simultaneously with an advance in the population.

The *irrigated area* shows some expansion during the decade, but that is due to droughts more than to the demands of an *intensive* cultivation.

As to double cropping:—Mr. Holderness in his Memo on the Food Production, North-Western Provinces and Oudh (Appendix A), says:—

The area which bears more than one crop a year is counted twice over.....This is not accurate even in cases of genuine double-cropping, as the produce of two harvests from the same field is less than the produce of two fields of the same area. But double-cropping is not unfrequently fictitious, as it often happens that a field is sown for *rabi* because it has failed in *khurif*, and is liable to be included in the double-cropped area.

Much of the double-cropping during the decade has been owing to the uncertainties of the seasons more or less, and is therefore of a "*fictitious character*."

#### Areas under Superior Crops.

Mere cultivated areas are, however, a subordinate factor in the problem: the profits of cultivation depending principally on the *kind of crop* grown, and the crop-yield obtained.

As to *superior cropping*:—A fall-off in areas under *wheat, cotton, sugarcane, oil-seeds, jute, indigo* in most provinces, as may be seen from the table given below.

As to yield:—The estimate of the local authorities, as given in the Lyall Commission's Report, page 357—working out to 800lb. per acre—is not endorsed by the Commission: they reject the estimates for *Bengal* as particularly *unreliable* and for *Burma* and *Bombay* as *too high*. The Commission are distinctly of opinion that whatever may have been the normal annual surplus of food grains in 1880, the present surplus *cannot* be greater than that figure.

*Areas under certain crops in British India in million acres.*

Year.	Wheat.	Sugar- cane.	Oil- seeds.	Cotton.	Jute.	Indigo.
1890-91	22.03	2.793	11.58	10.968	2.479	12.15
1891-92	20.18	3.184	12.84	8.839	2.100	11.55
1892-93	21.48	2.861	13.54	8.940	2.181	13.23
1893-94	22.21	3.033	14.81	10.438	2.230	15.35
1894-95	22.76	2.889	13.72	9.717	2.275	17.05
1895-96	18.53	2.930	12.84	9.600	2.248	15.89
1896-97	16.18	2.631	10.53	9.459	2.215	15.83
1897-98	19.94	2.648	12.56	8.914	2.159	13.66
1898-99	20.22	2.756	12.16	9.178	2.690	10.13
1899-1900	16.10	2.693	10.32	8.375	2.070	10.46

A marked decline in areas under—

Wheat	since 1894-95
Sugarcane	„ 1891-92
Oil-seeds	„ 1893-94
Cotton	„ 1893-94
Jute	„ 1894-95
Indigo	„ 1894-95



## CERTAIN EXPORTS AND IMPORTS (VALUE IN CRORES OF RUPEES.)

Year.	EXPORTS.							IM- PORTS.		REMARKS.
	Cotton, raw.	Indigo.	Wheat.	Linseed.	Sugar.	Hides and skins.	Manures (bones in lakhs).	Fodder Cattle bran food.	Sugar.	
1880-81 ...	13.24	3.57	3.27	3.69	.50	3.73	3.4		1.16	Exports in Raw Cotton,
1881-82 ...	14.94	4.50	8.62	3.00	.72	3.95	2.5		1.24	Indigo, Wheat, Linseed,
1882-83 ...	16.05	9.91	6.08	3.52	.98	4.44	4.3		1.08	Sugar, show large decline
1883-84 ...	14.40	4.61	8.89	4.38	1.17	4.66	13.4		1.14	during the last decade,
1884-85 ...	13.29	4.06	6.31	4.71	.73	4.93	8.4		2.14	while the Export trade in
1885-86 ...	10.78	3.76	8.00	5.53	.73	5.33	10.8		1.45	Hides and Skins, Manu-
1886-87 ...	13.47	3.69	8.62	5.17	.70	5.14	9.2		2.08	res (bones) and Fodder
1887-88 ...	14.14	3.89	5.55	4.93	.74	4.86	13.2		2.11	exhibits an enormous
1888-89 ...	15.04	3.91	7.52	5.05	.75	4.71	17.5		1.79	development.
1889-90 ...	18.67	3.86	5.79	4.73	1.18	4.52	24.5		2.50	Imports of sugar show an
1890-91 ...	16.53	3.07	6.04	4.98	.61	4.69	33.9		2.36	enormous expansion.
1891-92 ...	10.76	3.21	14.38	6.79	.70	5.18	23.6	(In lakhs.)	2.56	
1892-93 ...	12.74	4.14	7.44	5.52	.83	5.59	25.0		2.62	
1893-94 ...	13.31	4.18	5.19	7.30	1.23	5.80	28.0	19	2.82	
1894-95 ...	8.70	4.74	2.56	6.74	.82	6.58	17.8	21	2.87	
1895-96 ...	14.09	5.35	3.91	4.13	.79	7.55	46.0	26	3.10	
1896-97 ...	12.97	4.35	.88	3.55	.91	5.00	42.2	30	3.15	
1897-98 ...	8.87	3.05	.34	2.86	.41	8.31	30.5	44	4.78	
1898-99 ...	11.19	2.97	9.71	5.13	.38	7.13	40.8	14	4.01	
1899-1900	9.12	2.69	3.90	4.50	.55	10.46	61.2	57	3.97	
1900-1901	10.12	2.13	.03	4.45	.21	11.46	59.0	70	5.65	

*Export of Cotton.*—Falling off since 1889-90.

In 1889-1900—18·6 crores.

„ 1900-1901—10·1 crores,  
or less by  $8\frac{1}{2}$  crores.

*Export of Indigo.*—A decline during 1884-85 to 1892-93.

„ again during 1893-7 to 1900-01.

In 1883-84—4·64 crores.

Last year—2·13 crores only.  
or less by 2·51 crores.

*Export of Wheat.*—Declining since 1892-93.

In 1883-84—8·89 crores.

In 1893-1900—39 crores only.  
or less by 5 crores.

*Export of Linseed.*—Falling off since 1893-94.

In 1893-94—7·5 crores.

Last year—4·45 crores only,  
or less by 3 crores.

*Export of Sugar.*—In 1883-84—1·17 crores.

Last year—25 crores only,  
i.e., nearly wiped out.

*Export of Hides and Skins.*—An enormous increase.

In 1880—3·75 crores.

In 1900-01—11·46 crores,  
or more by  $7\frac{3}{4}$  crores.

*Export of Manure (bones)*—A large increase—from 3 lakhs in 1880 to 59 lakhs last year.

*Export of Fodder.*—Also a large increase—from 19 lakhs in 1893-94 to 70 lakhs last year

*Imports of Sugar*—Show an enormous expansion.

In 1880-81—1·61 crores.

Last year—5·65 crores,  
or more by 4 crores.

## BUDGET SPEECH, 1903.

*[At a meeting of the Imperial Legislative Council held on Wednesday the 25th March, 1903, His Excellency Lord Curzon presiding, the Hon. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1903-04 presented by the Hon. Sir Edward Law:—]*

YOUR EXCELLENCY,—I desire at the outset respectfully to associate myself with what has been said by my Hon'ble colleagues, who have preceded me, in recognition of the important measures adopted by Government this year to give relief to the tax-payers of this country. For five successive years now, the Hon'ble Finance Member has been able to announce a large surplus of revenue over expenditure, and these surpluses have aggregated over 22 crores of rupees, as may be seen from the following figures :—

Year.				Surplus in crores of Rupees.
1898-1899	...	...	...	3.9
1899-1900	...	...	...	4.2
1900-1901	...	...	...	2.5
1901-1902	...	...	...	7.1
1902-1903	...	...	...	4.1
Total for 5 years				22.1

Moreover, a sum of over 11 crores has been spent during the period out of current revenues for meeting extraordinary charges, but for which the aggregate surplus would have amounted to over 33 crores of rupees. My Lord, to take from the people a sum of 22 crores in five years over and above the requirements of Government—ordinary and extraordinary—at a time again when the country was admittedly suffering from famine and plague and general industrial depression as it had never suffered before, is a financial policy, the justification of which is not at all clear; and I cannot help thinking that even

the cautious mind of the Hon'ble Member ought to have been satisfied with a shorter period than five years and a smaller total surplus than 22 crores to be able to recognise that with a 16*d.* rupee Government were bound to have large and recurring surpluses year after year, when the level of taxation had been so determined as to secure financial equilibrium on the basis of a 13*d.* rupee. However, it is better late than never, and I sincerely rejoice that my Hon'ble friend was at last able to advise Government that the time had come when the claims of the tax-payers, who have had to submit to continuous and ceaseless additions to the taxation of the country during the last eighteen years, to some measure of relief might be safely considered. My Lord, as regards the particular form of relief, decided upon by Government, I have nothing but the warmest congratulations to offer. I confess I was not without apprehension that Lancashire, with its large voting strength in the House of Commons and its consequent influence with the Secretary of State for India, might once more demonstrate how powerless the Indian Government was to resist its demands and that the abolition of cotton-duties might take precedence of the reduction of the duty on salt. My fears, however, have happily been proved to be groundless, and I respectfully beg leave to congratulate Government on the courage, the wisdom and the statesmanship of their decision. Public opinion in India has for a long time prayed for these very measures of relief, and the National Congress has, year after year, urged upon the attention of Government the necessity of raising the taxable minimum limit of the income-tax from five hundred rupees to one thousand, and of reducing the duty on salt from Rs. 2-8 a maund to Rs. 2 at the earliest opportunity. My Lord, I am surprised to hear the opinion expressed in some quarters that the reduction of the salt-duty will not really benefit the vast mass of our population, but that it will only mean larger profits to small traders and other middlemen. I think that those who express such an opinion not only ignore the usual effect on prices of competition among the sellers of commodities, but that they also ignore the very obvious lesson which the figures of salt consumption during the last twenty years teach

us. An examination of these figures shows that, during the five years that followed the reduction of the salt duty in 1882, the total consumption of salt advanced from 28·37 millions of maunds to 33·71 millions—an increase of 3·35 million maunds or fully 18 per cent. In 1887-88, the duty was raised from Rs. 2 to Rs. 2-8 a maund, which not only arrested the steady increase of the previous five years, but actually led to a reduced consumption during the next four years, and this in spite of the fact that the figures for these years included for the first time the figures of salt consumption in Upper Burma. It was not till 1891-92 that the ground thus lost was again recovered, but since then consumption has remained virtually stationary—only a very slight advance of less than 6 per cent. being recorded in 14 years as against an increase of 18 per cent. in 5 years previous to the enhancement of the salt duty. My Lord, I am confident that what has happened before will happen again, and that the Finance Member will not have to wait long before he is able to announce that the consumption of salt is once again steadily on the increase, that the loss of revenue caused by the reduction in duty at present will be only a temporary loss, and that in a few years' time it will disappear altogether in consequence of increased consumption. Again, my Lord, I have heard the opinion expressed that the duty on salt does not after all constitute any serious burden on the resources of the poorer classes of our community, because this duty, it is urged, is the only tax which they contribute to the State. Here, again, I must say that those who express such a view hardly realise what they are talking about. Our revenue is principally derived from Land, Opium, Salt, Excise, Customs, Assessed Taxes, Stamps, Forests, Registration and Provincial Rates. Of these, the Opium Revenue is contributed by the foreign consumer and may be left out of account. Of the remaining heads, the proceeds of the Assessed Taxes are the only receipts that come exclusively from the middle and upper classes of the people, and they are represented by a comparatively small sum—being less than two crores of rupees a year. On the other hand, the bulk of the Salt Revenue comes from the pockets of the poorer classes. The Abkari Revenue again is

contributed mainly by them ; so also is the Forest Revenue. Under Stamps and Registration, they contribute their fair share—possibly more than their share, as the bulk of our litigation is about small sums. I believe they also contribute their share under Customs. And as regards Land Revenue and Provincial Rates, in raiyatwari tracts at any rate, a large proportion of this revenue comes from very poor agriculturists. So far, therefore, from contributing less than their fair share to the exchequer of the State, the poorer classes of our community contribute, as a matter of fact, much more than they should, relatively to their resources ; and Government have, therefore, done wisely in deciding to give relief to these classes by a reduction of the duty on salt. I trust it may be possible for Government to reduce this duty still further in the near future, for the consumption of salt, which in the time of Lord Lawrence was found to be about 12 lb. per head in some parts of India, is now not even 10 lb. per head, whereas the highest medical opinion lays down 20 lb. per head as a necessary standard for healthful existence.

My Lord, in the remarks which I made in the course of the Budget discussion of last year, I dwelt at some length on the heavy and continuous additions made by Government to the taxation of the country since 1886, and I urged that as the currency policy adopted by Government had put an end to their exchange difficulties, some relief should be given to the sorely-tried tax-payers by a reduction of the salt-duty, a raising of the taxable minimum limit of the income-tax, and the abolition of the excise duties on cotton-goods. Two of these three prayers have been granted by Government this year, and it was much to be wished that they had seen their way to grant the third also. These excise-duties illustrate what John Stuart Mill has said about the Government of the people of one country by the people of another. They were levied not for revenue purposes but as a concession to the selfish agitation of Manchester. They are maintained owing to a disinclination on the part of Government to displease that same powerful interest, though the mill industry in this

country, owing to various causes, not the least important of which is the currency policy of Government themselves, is in a state of fearful depression. The justification ostensibly urged in favour of their retention is that the principles of free trade would be violated if they were removed while the imports from Manchester were liable to Customs duties. The hollowness of this justification has, however, been effectively shown up by the present Editor of the *Times of India* in the brief Introduction contributed by him to a pamphlet, published some time ago by my friend Mr. B. J. Padshah, in which the question of the effect produced by the excise duties on the cotton industry of India has been examined with elaborate care and a clear grasp of principles.

In deference to the representations of Lancashire millowners, says the writer of the Introduction, India was compelled to impose an excise-duty upon her own cotton manufactures. That is to say, she was forced to tax an internal industry at a peculiarly inopportune time for the benefit of Lancashire. She was practically sacrificed to the political exigencies of the moment. The British Parliament has now imposed a duty—not large but enough to be felt—upon imported corn. India sends corn to England just as Lancashire sends piece-goods to India. If the British Parliament really desires to render that justice to India which it so frequently professes, its only logical course must be to force an excise duty on its own home-grown corn. Such a proposition is naturally impossible, but it serves to throw into strong relief the essential injustice of the present treatment of the Indian cotton industry. The British Parliament is willing enough to thrust taxation upon Indian millowners for the benefit of their Lancashire brethren: but it places a protecting arm round the British farmer as against India.

In no other country would such a phenomenon of the Government taxing an internal industry—even when it was bordering on a state of collapse—for the benefit of a foreign competitor be possible, and I am inclined to believe that the Government of India themselves regret the retention of these duties as much as any one else. I earnestly hope that, before another year is over, the Secretary of State for India and the British Cabinet will come to realise the great necessity and importance of abolishing these duties, whose continued maintenance is not only unjust to a great Indian industry, but also highly impolitic

on account of the disastrous moral effect which it cannot fail to produce on the public mind of India.

My Lord, the Financial Statement rightly observes that for the first time since 1882, the Government of India have this year been able to announce a remission of taxation. Twenty-one years ago, a Viceroy, whose name will ever be dear to every Indian heart, assisted by a Finance Minister who has since risen to a most distinguished position in the service of the Empire, took advantage of the absence of any disturbing elements on the financial horizon to modify and partially reconstruct the scheme of our taxation and expenditure. The financial reforms of Lord Ripon and Major Baring (now Lord Cromer), joined to other great and statesmanlike measures of that memorable administration, roused throughout the country a feeling of enthusiasm for British rule such as had never before been witnessed; and the mind of every Indian student of political and financial questions constantly harks back to that time, because it sought to fulfil in a steady and earnest manner the higher purpose of England's connection with India. The fiscal status established during that period was rudely disturbed in 1885 in consequence of an apprehension of Russian aggression on the North-Western Frontier, and a period of continuous storm and stress, financial and otherwise, followed, which I venture to think has now happily come to a close. During the 14 years—from 1885 to 1898—the Government of India took about 120 crores of rupees from the people of this country over and above the level of 1882-85 (inclusive of about 12 crores for Upper Burma) under the larger heads of Revenue—about 36 crores under Land Revenue, 25 under Salt, 12 under Stamps, 18 under Excise, 15½ under Customs and 13½ under Assessed Taxes. Nearly 80 crores out of this additional 120 crores, *i.e.*, fully two-thirds, was swallowed up by the Army services, whereas the share that fell to the lot of public education out of this vast sum was represented by less than a crore of rupees. My Lord, I mention these facts not to indulge in vain regrets about a past which is now beyond recall, but because I wish earnestly and respectfully to emphasise the great



necessity of increased expenditure in future on objects which have so far been comparatively neglected, as on these the ultimate well-being of the people so largely depends. As things stand at present, Indian finance is virtually at the mercy of military considerations, and no well-sustained or vigorous effort by the State on an adequate scale for the material advancement or the moral progress of the people is possible while our revenues are liable to be appropriated in an ever-increasing proportion for military purposes. My Lord, I do not wish to speak to-day of the serious and alarming increase that has taken place during the last eighteen years in the military expenditure of the country, which has risen in a time of profound peace from about 17½ crores—the average for 1882-85—to 26½ crores—the amount provided in the current year's Budget, *i.e.*, by over 50 per cent. when the revenue derived from the principal heads has risen from 51 crores to 69 crores only, *i.e.*, by about 35 per cent. Our Military expenditure absorbs practically the whole of our Land-revenue and exceeds the entire civil expenditure of the country by about 2½ crores, thus demonstrating the excessive preponderance of the military factor in Indian finance. In no country throughout the civilised world do the Army services absorb so large a proportion of the national income. Not even in Russia is this expenditure more than one-fourth of the total ordinary revenue, while with us it is about one-third, omitting, of course, from the Revenue side Railway receipts, which are balanced by a corresponding entry on the Expenditure side. Military safety is no doubt a paramount consideration to which every other must yield, but military preparedness has no definite standard and might absorb whatever resources can be made available for it practically without limit. Moreover, the demands of military improvement must grow more and more numerous and insistent as years roll by, and there can be no finality in such matters. Military efficiency must, therefore, as Lord Salisbury once pointed out, be always *relative*, *i.e.*, determined in the case of each country by a combined consideration of its needs of defence and the resources that it can fairly devote for the purpose. Judged by this test, our military expenditure must be

pronounced to be much too heavy, and unless effective measures are taken to bring about its reduction, or at any rate prevent its further increase, there is but little hope that Government will ever be able to find adequate funds for public education or other important and pressing measures of internal improvement. The question cannot be put better than in the eloquent words used by Lord Mayo in his memorable minute on the subject dated 3rd October, 1870—words which are as true to-day as they were 30 years ago—if anything, even more so.

Though the financial necessities of the hour, said he, have brought more prominently to our view the enormous cost of our army (16·3 crores) as compared with the available resources of the country, I cannot describe fiscal difficulty as the main reason for the course we have taken. I consider that if our condition in this respect was most prosperous, we should still not be justified in spending *one shilling more* on our army than can be shown to be absolutely and imperatively necessary. There are considerations of a far higher nature involved in this matter than the annual exigencies of finance or the interests of those who are employed in the military service of the Crown. Every shilling that is taken for unnecessary military expenditure is so much withdrawn from those vast sums which it is our duty to spend for the moral and material improvement of the people.

The present strength of our Army is in excess of what the Simla Commission of 1879—of which Lord Roberts was a member—pronounced to be sufficient both for the purpose of maintaining internal peace and for repelling foreign aggression, not only if Russia acted alone, but even if she acted with Afghanistan as an ally. General Brakenbury, some time ago Military Member of the Governor-General's Council, admitted in his evidence before the Welby Commission that the present strength was in excess of India's own requirements and that a portion of it was maintained in India for Imperial purposes. The truth of this statement was forcibly illustrated during the last three years when India was able to spare, without apparent danger or inconvenience, a large number of troops for Imperial purposes in South Africa and China. Again, since the Army increases of 1885 were made, a great deal has been done at a heavy outlay of money to strengthen our coast and frontier

defences and to place the administration of the Army on a sounder basis. The armed strength has, moreover, improved in other directions also. The number of Volunteers has increased by nearly 13,000 men. The Native Army reservists now number close upon 20,000 and the Imperial Service troops about 18,904—both new and recent creations. My Lord, I am free to admit that in these matters Government are bound to be guided, mainly, if not exclusively, by the opinion of their expert military advisers. But there are certain broad features of the situation—certain large questions of general policy—which, I believe, it is open to every one to discuss: and I venture to submit with much diffidence and not without a sense of responsibility a few remarks on this subject for the consideration of Your Excellency's Government. Our Army is for all practical purposes a standing army, maintained on a *war footing* even in times of peace. It is altogether an *inexpansive* force, without any strong auxiliary supports in the country such as exist in European States, and its strength can be augmented only by an arithmetical increase of its cost. In Western countries and even in Japan, which has so successfully copied the Western system, the establishment maintained in times of peace can, owing to their splendid system of reserves, be increased three, four, five, even six times in times of war. Japan, for instance, which spends on her Army in times of peace about one-fourth of what we spend, has a peace establishment half our own and can mobilize in times of war nearly double the number of men that India can. The British troops in this country are under the Short Service system, but owing to the peculiarity of the situation, the main advantage of Short Service—*viz.*, securing for the country a large body of trained reservists—goes to England, while all the disadvantages of the system—the paucity of seasoned soldiers, increased payments to the British War Office for recruitment charges and increased transport charges—have to be borne by us. The native Army is in theory a Long Service army, but it was calculated by the Simla Army Commission, on the basis of the strength which then existed, that as many as 80,000 trained Native soldiers obtained their discharge and returned to their

homes in ten years' time. And the formation of reserves was proposed by the Commission so as to keep the greater number of these men bound to the obligations of service and also in the hope that the reserves so formed in time of peace might 'enable the Government to reduce the peace strength of the Native Army.' The Commission apprehended no political danger from such a restricted system of reserves, and it was calculated that the proposed reserves, if sanctioned, would absorb about 52,000 out of the 80,000 men retiring from the Army every ten years. Acting on this recommendation, Lord Dufferin's Government decided on the formation of such reserves and proposed to begin with two kinds—regimental and territorial reserves—of which the latter system was naturally better suited to the circumstances of such a large country and would undoubtedly have succeeded better. But the India Office, more distrustful in the matter than the men on the spot, disallowed the formation of territorial reserves, with the result that our reservists to-day do not number even 20,000 men. Practically, therefore, we have to place our sole reliance on a standing army and while the plan is, financially, the most wasteful conceivable, even as an organisation of national defence, it is radically faulty. No pouring out of money like water on mere *standing battalions* can ever give India the military strength and preparedness which other civilised countries possess, while the whole population is disarmed and the process of demartialization continues apace. The policy of placing the main reliance for purposes of defence on a standing army has now been discarded everywhere else, and at the present moment India is about the only country in the civilised world where the people are debarred from the privileges of *citizen soldiery* and from all voluntary participation in the responsibilities of national defence. The whole arrangement is an unnatural one; one may go further and say that it is an impossible one, and if ever unfortunately a day of real stress and danger comes, Government will find it so. My Lord, I respectfully plead for a policy of a little more trust in the matter. I keenly recognise the necessity of proceeding with great caution, and if Government are not prepared to trust all parts of the country or

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all classes of the community equally, let them select particular areas and particular sections of the community for their experiment. What I am anxious to see is the adoption of some plan, whereby, while a position of greater self-respect is assigned to us in the work of national defence, the establishments necessary during peace and war times may be separated and thus our finances may be freed from the intolerable pressure of an excessive and ever-growing military expenditure.

My Lord, the question which, in my humble opinion, demands at the present moment the most earnest and anxious attention of Government is the steady deterioration that is taking place in the economic condition of the mass of our people. In my speech on last year's Budget, I ventured to dwell at some length on this subject, and I have no wish to repeat again to-day what I then said. But the Hon'ble Sir Edward Law has made a few observations on the question in the Financial Statement under discussion which I deem it my duty not to allow to pass unchallenged. At page 20 of the Statement, under the heading of Economic Progress, my Hon'ble friend observes:—

As a general indication of the increasing wealth of the taxpayers, I think that a very fairly correct estimate of the position is to be obtained by noting the increase in revenue returns under heads the returns from which are manifestly dependent on their spending power. Such heads are Salt, Excise, Customs, Post Office and in a lesser degree Stamps, and I give the following figures, showing progress in revenue under these heads during the last three years. . . . . The inevitable deduction from the figures tabulated must be that *the material prosperity of the people as a whole is making good progress.*

My Lord, I can only say that I am amazed at the Hon'ble Member's idea of what he calls 'the good progress' of the material prosperity of the people. Are the figures really so striking that they should convey to his mind a clear and emphatic assurance on a momentous question and fill him with such evident satisfaction. Last year, in replying to some of the remarks which I had made on this subject, the Hon'ble Member was pleased to state that I had been arbitrary in my selection of certain

periods for comparison and that I had compared the statistics of an earlier period which was normal with those of a later period which was disturbed by successive famines. The Hon'ble Member's criticism was passed on a misapprehension, because I had precisely avoided doing what he said I had done. However, having passed that criticism on me, one would have expected that the Hon'ble Member would be particularly careful in the selection of his own statistics. I am sorry, however, my Lord, to find that some of his figures are not only arbitrarily selected, but are used in a manner which I can only describe as misleading. Take, for instance, the figures of Salt-revenue. The Hon'ble Member starts with the year 1899-1900, when the Salt-revenue was 5·85 millions sterling, and points out that it had risen to 6·04 millions for 1902-1903. Now, in the first place, the rise here is very small. But will the Hon'ble Member tell me why he took 1899-1900 as his starting year and not the preceding one, *viz.*, 1898-99, the Salt-revenue for which was 6·06 millions sterling, *i.e.*, slightly over the figure for 1902-03? If we take 1898-99 as our starting year, we can deduce from these same figures the conclusion that the Salt-revenue has actually diminished during these four years and that the ground lost since 1898-99 has not yet been regained. Again, take the figures for Stamps. As they are presented by the Hon'ble Member, they no doubt show a small steady increase and the revenue for 1902-03 appears larger than for 1901-02, the figures given by the Hon'ble Member being 3·472 millions sterling for 1902-03 as against 3·446 millions sterling for 1901-02. But the Hon'ble Member seems to have lost sight of the fact that the figure for 1902-03 includes the revenue for Berar, which the figure for 1901-02 does not do; so that for purposes of a fair comparison the Berar revenue must be deducted from the former. The amount for Berar included in the figure for 1902-03 is, as Mr. Baker tells us, about £28,700. And this amount being deducted we get for 1902-03 a revenue of 3·443, which, it will be seen, is slightly lower than for the preceding year; and in fact Mr. Baker himself speaks in his note of the Stamp-revenue declining slightly during the year. The Hon'ble Member

has also omitted to deduct receipts for Berar under Excise and Post Office from his figures for 1902-03, and has moreover made no mention, as Mr. Baker has done, of the recent assemblage at Delhi being responsible for a portion of the increase under Post Office. It is true that, even after deducting the Berar quota, the Excise-revenue shows some increase, but the Hon'ble Member must forgive me if I say that that is not necessarily a sign of increased prosperity, though it is undoubtedly a sign of increased drunkenness in the land. Finally, many will decline to accept an increase of Customs-revenue in the present circumstances of India as any evidence of growing material prosperity. The bulk of our imports consists of manufactured goods, and almost every increasing import of foreign goods—far from indicating any increase in the country's purchasing power—only connotes a corresponding displacement of the indigenous manufacturer. Thus, while the import of cotton-goods has been for years past steadily increasing, we know, as a matter of fact, that hundreds and hundreds of our poor weavers throughout the country have been and are being driven by a competition they cannot stand to give up their ancestral calling and be merged in the ranks of landless labourers—and this typifies to a great extent the general transformation that is fast proceeding throughout the country. The process of such displacement is not yet complete, but the large and progressive totals of our import-trade only show that the transition of the country from the partially industrial to the purely agricultural phase of economic life is going on at a rapid pace, and that the movement has already reached an advanced stage. There is at present hardly a country in the world which has become so preponderatingly agricultural or sends abroad so much of its food-supply and raw material for manufactures as British India. When the disastrous transformation is completed—and this is now only a question of time unless remedial measures on an adequate scale are promptly undertaken—it will reveal a scene of economic helplessness and ruin before which the heart of even the stoutest optimist will quail. No doubt there are here and there signs of an awakening to the dangers of the situation: but the first condition of this

awakening producing any appreciable practical results is that the fact of our deep and deepening poverty and of the real exigencies of the economic position should come to be frankly recognised by the Government of this country. And, my Lord, it is a matter for both surprise and disappointment that a few paltry increases in revenue under certain heads should be accepted by the Finance Minister of this country as conclusive evidence of our growing material prosperity, when many most important indications point just the other way. The annual death-rate, independently of famine and plague, has been steadily rising for the last twenty years, showing that a steadily increasing proportion of the population is being underfed; the increase of population during the last decade has been much less than normal; there has been a diminution of the net cropped area in the older Provinces and a more or less general shrinkage of the area under superior crops; the indebtedness of the agricultural population has been alarmingly on the increase all over the country; their losses in crops and cattle during the last five years have been estimated at 300 crores of rupees; the currency legislation of Government has enormously depreciated their small saving in silver; the wages of labourers have not risen, during the last twenty years and more, in proportion to the rise in the prices of necessaries. I venture to think that unless these disquieting symptoms are properly diagnosed, not even the high authority of my Hon'ble friend will suffice to convey any assurance to the public mind that 'the material prosperity of the people as a whole is making good progress,' and that no apprehensions need be entertained for the future, if only the revenue under certain heads continues to advance as it has done during the past three years.

My Lord, Indian finance seems now to be entering upon a new and important phase, and the time has come when Government should take advantage of the comparative freedom, which the country at present enjoys from the storm and stress of the past eighteen years, to devote its main energies to a vigorous and statesmanlike effort for the promotion of the material and moral interests of



the people. Speaking roughly, the first half of the nineteenth century may be said to have been for British rule a period of conquest and annexation and consolidation in this land. The second half has been devoted mainly to the work of bringing up the administrative machine to a high state of efficiency and evolving generally the appliances of civilised Government according to Western standards. And I venture to hope that the commencement of the new century will be signalized by a great and comprehensive movement for the industrial and educational advancement of the people. After all, the question whether India's poverty is increasing or decreasing under the operation of the influences called into existence by British rule—though of great importance in itself—is not nearly so important as the other question as to what measures can and must be taken to secure for this country those moral and material advantages which the Governments of more advanced countries think it their paramount duty to bring within the easy reach of their subjects. My Lord, I have no wish to judge, it is perhaps not quite just to judge, the work done so far in these directions by the British Government in India by the standard of the splendid achievements of countries more fortunately circumstanced and having a more favourable start than ourselves in the field. I admit the exceptional character of our Government and the conflicting nature of the different interests which it has got to weigh before taking any decisive action in this matter. But after so many years of settled Government and of unchallenged British supremacy, it is, I humbly submit, incumbent now upon the rulers of this country to gradually drop the exceptional character of this rule and to conform year by year more and more to those advanced notions of the functions of the State which have found such wide, I had almost said, such universal acceptance throughout the Western world. European States, for years past, have been like a number of huge military camps lying by the side of one another. And yet in the case of those countries, the necessity of military preparedness has not come and does not come in the way of each Government doing its utmost in matters of popular

education and of national industries and trade. Our record in this respect is so exceedingly meagre and unsatisfactory, even after making allowances for our peculiar situation, that it is almost painful to speak of it along with that of the Western nations. In Europe, America, Japan and Australia, the principle is now fully recognised that one of the most important duties of a Government is to promote the widest possible diffusion of education among its subjects, and this not only on moral but also on economic grounds. Professor Tews of Berlin, in an essay on Popular Education and National Economic Development, thus states his conclusions on the point:—

1. General education is the foundation and necessary antecedent of increased economic activity in all branches of national production in agriculture, small industries, manufactures and commerce. (The ever-increasing differentiation of special and technical education, made necessary by the continual division of labour, must be based upon a general popular education and cannot be successful without it.)

2. The consequence of the increase of popular education is a more equal distribution of the proceeds of labour contributing to the general prosperity, social peace, and the development of all the powers of the nation.

3. The economic and social development of a people, and their participation in the international exchange of commodities, is dependent upon the education of the masses.

4. For these reasons the greatest care for the fostering of all educational institutions is one of the most important national duties of the present.

My Lord, it is essential that the principle enunciated with such lucidity by Professor Tews in the foregoing propositions should be unreservedly accepted in this country as it has been elsewhere, and that a scheme of mass education should now be taken in hand by the Government of India so that in the course of the next twenty-five or thirty years a very appreciable advance in this direction might be secured. It is obvious that an ignorant and illiterate nation can never make any solid progress and must fall back in the race of life. What we therefore want—and want most urgently—is first of all a widespread diffusion of elementary education—an effective and comprehensive system of primary schools for the masses—and

the longer this work is delayed, the more insuperable will be our difficulties in gaining for ourselves a recognised position among the nations of the world. My Lord, the history of educational effort in this country during the last 20 years is sad and disheartening in the extreme. Lord Ripon's Government, which increased the State contribution to education by about 25 per cent., *i.e.*, from 98 lakhs to 124 lakhs between 1880 and 1885, strongly recommended, in passing orders upon the Report of the Education Commission of 1882, that Local Governments and Administrations should make a substantial increase in their grants to Education and promised special assistants to them from the revenues of the Government of India. But, before the liberal policy thus recommended could be carried out, a situation was developed on the frontiers of India which led to increased military activity and the absorption of all available resources for Army purposes, with the result that practically no additional funds were found for the work of Education. And in 1888 the Government of India actually issued a Resolution stating that, as the duty of Government in regard to Education was that of merely pioneering the way, and as that duty had on the whole been done, the contributions of the State to Education should thereafter have a tendency to decrease. Thus, while in the West the Governments of different countries were adopting one after another a system of compulsory and even free primary education for their subjects, in India alone the Government was anxious to see its paltry contribution to the education of the people steadily reduced! In the quinquennium from 1885-86 to 1889-90 the State grant to Education rose from 124·3 lakhs to 131·6 lakhs only, *i.e.*, by less than 6 per cent., and this in spite of the fact that the amount for the latter year included State expenditure on Education in Upper Burma which the former year did not. Since 1889-90 the advance under the head of Educational expenditure from State funds has been slightly better, but part of this increase since 1893 has been due to the grant of exchange compensation allowance to European officers serving in the Educational Department throughout India. It is only since last year that the

Government of India has adopted the policy of making special grants to Education, and I earnestly hope that, as year follows year, not only will these grants be increased, but they will be made a part of the permanent expenditure of the State on Education. In this connection, I would earnestly press upon the attention of Government the necessity of making Education an Imperial charge, so that the same attention which is at present bestowed by the Supreme Government on matters connected with the Army Services and Railway expansion might also be bestowed on the education of our people. Under present arrangements, Education is a Provincial charge and the Provincial Governments and Administrations have made over Primary Education to local bodies whose resources are fixed and limited. No serious expansion of educational efforts is under such arrangements possible. In the Bombay Presidency, for instance, District Local Boards, which have charge of Primary Education in rural areas, derive their revenue from the one-anna cess which they have to devote in certain fixed proportions to Primary Education, Sanitation and Roads. Now, our revenue-settlements are fixed for 30 years; which means that the proceeds of the one-anna cess in any given area are also fixed for 30 years; and as Government, as a rule, contributes only  $\frac{1}{3}$ rd of the total expenditure of these Boards on Education, it is clear that the resources that are available at present for the spread of Primary Education in rural areas are absolutely inelastic for long periods. There are altogether about  $5\frac{1}{2}$  lakhs of villages in British India, out of which, it has been calculated, four-fifths are at present without a school; the residents of these villages pay the local cesses just like other villagers, and yet the necessary educational facilities for the education of their children are denied them!

The position as regards the spread of primary education and the total expenditure incurred in connection with it in different countries is shown in the following table. The figures are taken from the Reports of the United States Commissioner of Education, and are for 1897 or 1898 or 1899 or 1900 as they have been available:—

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Name of Country.	Population in Millions.	Total enrolment in Primary Schools in Millions.	Ratio of enrolment to population.	Total expenditure in millions of pounds.	Expenditure per head of population.	Remarks.	
EUROPE.							
Austria-Hungary.	41.4	6.2	15	5.35	s. d. 2 6	Expenditure figures not available. On public Schools only, which enrol about three-fourths the total.	
Belgium ...	6.7	.8	14.5	1.5	4 6		
Denmark ...	2.2	.3	14	...	...		
France ...	38.5	5.5	14.4	8.9*	4 11		
Prussia ...	31.5	6.3	20	9.2	5 4	Figures of expenditure not available.	
England and Wales.	31.7	5.7	17.7	12.1	5 0		
Scotland ...	4.3	.7	17	1.6	7 8		
Ireland ...	4.5	.8	17.6	1.2	5 5		
Greece ...	2.5	.16	6.7	...	...	Do. do. † State contribution only. Figures of expenditure not available.	
Italy ...	32	2.4	7.3	2.5†	1 7		
Norway ...	2	.3	16.4	4.5	4 6		
Portugal ...	5	.24	4.7	...	...		
Russia ...	126.5	3.8	3	4†	0 8	Expenditure figures not available.	
Spain ...	18.2	1.4	7.4	...	...		
Sweden ...	5.1	7.4	14.5	1.1	4 2		
Switzerland ...	3.1	.65	20.7	1.3	8 5		
ASIA.							
India (British) ...	221.2	3.16	1.4	.76	0.88	Expenditure figures not available.	
Japan ...	42.7	3.3	7.8	2	0 11		
AFRICA.							
Cape Colony ...	1.5	.15	9.65	.27	3 6		
Natal ...	.54	.02	4.50	.06	2 2	Expenditure figures not available.	
Egypt ...	9.7	.21	2.17	...	...		
AMERICA.							
United States ...	75.3	15.3	20.9	44.5	9 10		
Canada ...	5.2	.95	18	2	7 9	Expenditure figures not available.	
AUSTRALASIA.	4.3	.79	18	2.5	11 7		

The figures of expenditure on Higher Education in various countries are also most interesting and instructive :—

Name of country.	Total amount spent.	Expenditure per capital of population.
Austria ... ..	·56 millions sterling	6 <i>d.</i>
Belgium ... ..	·16     "     "	6 <i>d.</i>
Denmark ... ..	·06     "     "	8 <i>d.</i>
France ... ..	·92     "     "	6 <i>d.</i>
Germany ... ..	1·6     "     "	7 <i>d.</i>
Great Britain & Ireland.	1·7     "     "	11 <i>d.</i>
Greece ... ..	·02     "     "	2 <i>d.</i>
Italy ... ..	·16     "     "	3½ <i>d.</i>
Norway ... ..	·04     "     "	4 <i>d.</i>
Russia ... ..	·95     "     "	2 <i>d.</i>
Spain ... ..	·1     "     "	1½ <i>d.</i>
Sweden ... ..	·14     "     "	6½ <i>d.</i>
Switzerland ... ..	·14     "     "	11 <i>d.</i>
United States ... ..	3·5     "     "	11 <i>d.</i>
Canada ... ..	·21     "     "	10 <i>d.</i>
Australasia ... ..	·13     "     "	8 <i>d.</i>
India ... ..	·28     "     "	2½ <i>d.</i>

Except in England, the greater part of the cost of higher education, about three-fourths and in some cases even more, is met everywhere out of the funds of the State.

My Lord, even allowing for the difference in the purchasing power of money in this country and elsewhere, these figures tell a most melancholy tale and show how hopelessly behind every other civilised nation on the face of the earth we are in the matter of public education. It is sad to think, that, after a hundred years of British rule, things with us should be no better than this, and, unless the work is taken up with greater confidence and greater enthusiasm, there is small hope of any real improvement in the situation taking place. In other countries, national education is held to be one of the most solemn duties of the State, and no effort or money is spared to secure for the rising generations the best equipment possible for the business of life. Here it has so far been a more or less neglected branch of State duty, relegated to a subordinate position in the general scheme of State action. Now that an era of substantial surpluses has set in, Government will not find themselves debarred

from taking up the work in right earnest by financial difficulties. In this connection, I respectfully desire to make one suggestion—*viz.*, that henceforth, whenever there is a surplus, it should be appropriated to the work of promoting the educational and industrial interests of the country. At present these surpluses go to reduce the amount of our debt, but, as the Hon'ble Sir Edward Law has pointed out in the Financial Statement, our burden of debt is by no means heavy, and there are valuable assets on the other side to cover the whole of it. Surpluses, after all, mean so much more taken from the people than is necessary for the purposes of the administration, and I think it is most unfair that these surplus revenues should be devoted to the reduction of a debt which is not at all excessive, when questions concerning the deepest welfare of the community and requiring to be taken in hand without any delay are put aside on the ground of want of funds. We have seen that the surpluses during the last five years have amounted to over 22 crores of rupees. If this vast sum had been set apart for the promotion of our educational and industrial interests instead of being needlessly devoted to a reduction of debt, what splendid results the Government would have been able to shew in the course of a few years! My Lord, the question of expenditure lies really at the root of the whole educational problem. The country has recently been agitated over the recommendations of the Universities Commission appointed by Your Excellency's Government last year. I do not desire to say anything on the present occasion on the subject of University reform, but it strikes me that, if Government made its own institutions really model ones by bringing up their equipment to the highest standard and manning them only with the best men that can be procured both here and in England, the private colleges would necessarily find themselves driven to raise their own standard of equipment and efficiency. And if a number of post-graduate research scholarships were established by Government to encourage life-long devotion to higher studies, the whole level of higher education in the country will be raised in

a manner satisfactory to all. I think it is absolutely necessary that men whom the Government appoints to chairs in its own colleges should set to their students the example of single-minded devotion to learning, and should, moreover, by their tact and sympathy and inborn capacity to influence young men for good, leave on their minds an impression which will endure through life. Only such Englishmen as fulfil these conditions should be brought out, and I would even pay them higher salaries than at present if the latter are found to be insufficient to attract the very best men. They should further be not young men who have just taken their degree, but men of some years' educational standing, who have done good work in their subjects. My Lord, it is difficult to describe in adequate terms the mischief that is done to the best interests of the country and of British rule by the appointment of third or fourth rate Englishmen to chairs in Government colleges. These men are unable to command that respect from their students which they think to be due to their position, and then they make up for it by clothing themselves with race pride, which naturally irritates the young men under them. The result often is that young students leave college with a feeling of bitterness against Englishmen, and this feeling they carry with them into later life. On the other hand, the influence which a first class Englishman who knows how to combine sympathy with authority exercises upon his pupils, shapes their thoughts and feelings and aspirations throughout life, and they continue to look up to him for light and guidance even when their immediate connection with him has come to an end. My Lord, the question of technical instruction has often been discussed during the past few years in this country, and some time ago Your Excellency was pleased to ask if those who so often spoke about it had any definite proposals of their own to make. I do not, however, see how such a responsibility can be sought to be imposed upon our shoulders. Government have command of vast resources, and they can procure without difficulty the required expert advice on the subject. If a small Commission of competent Englishmen and Indians, who feel a genuine enthusiasm for technical education, were deputed to those countries



where so much is being actually done by their Governments for the technical instruction of their people to study the question on the spot, in a year or two a workable scheme would be forthcoming, and with the large surpluses which the Hon'ble Finance Member is now able to announce year after year, a beginning could almost at once be made, and actual experience would suggest the rest.

My Lord, there is one more question on which I beg leave to offer a few observations. The question of the wider employment of Indians in the higher branches of the Public Service of their own country is one which is intimately bound up, not only with the cause of economic administration, but also with the political elevation of the people of India. There is no other country in the world where young men of ability and education find themselves so completely shut out from all hope of ever participating in the higher responsibilities of office. Everywhere else, the Army and the Navy offer careers to aspiring youths which draw forth from them the best efforts of which they are capable. These services, for us in this country, practically do not exist. The great Civil Service, which is entrusted with the task of general administration, is also very nearly a monopoly of Englishmen. But it is not of these that I propose to speak to-day. I recognise that, in the present position of India, our admission into these fields of high employment is bound to be very slow, and I can even understand the view that, for the purpose of maintaining British supremacy intact, there must be for many years to come a large preponderance of Englishmen in the ranks of these services. But, my Lord, our exclusion from high office does not end here. In all the Special Departments or Minor Services, as they are called, our position is even worse. In the Judicial and Executive branches of the Public Service, the subordinate ranks at any rate are manned by us. But in such departments as Forests, and Customs and Salt and Opium, our exclusion from even lower ranks is practically complete. Thus, in the Survey Department of the Government of India, there are altogether 132 officers, with salaries ranging from 300 to 2,200 rupees a month,

and of these only two are Indians and they are in the last grade of Rs. 300. There are, moreover, 45 officers in this Department whose salaries range between Rs. 160 to 300, and even among these, only ten are Indians. Again, take the Government Telegraph Department. There are 52 appointments in it, the salaries of which are Rs. 500 a month and more, and of these only one is an Indian. In the Indo-British Telegraph Branch, there are 13 officers with salaries above five hundred rupees a month, and among these there is not a single Indian. In the Mint Department, there are six officers with salaries above five hundred, and there too, there is not a single Indian. So too in the Post Office. Last year there was only one Indian in that Department among the ten men who drew salaries above five hundred. But he was a member of the Civil Service, and it was in this capacity that he was there. In the Geological Survey, 2 out of 14 officers, drawing salaries above Rs. 500, are Indians; in the Botanical Survey, none. In the Foreign Department, out of 122 such officers, only 3 are Indians; under Miscellaneous there are 22 such officers, but not a single Indian is among them. It is only in the Financial Department that there is any appreciable proportion of Indians, namely, 14 out of 59, among those whose salaries are above five hundred a month. Turning to the Departments under Provincial Governments, and taking the Presidency of Bombay, we find that in the Forest Department there are 21 officers whose salaries and allowances come to Rs. 500 and above a month; of these only one is an Indian. In the Salt Department, there are 13 places with salaries above four hundred a month, and not a single one among these is held by an Indian. In the Customs Department of Bombay, there are 13 officers who draw Rs. 300 a month and above, and of these only three are Indians. The Medical Department is, of course, practically a monopoly of Englishmen. In the Police Department, there are 49 officers classed as Superintendents and Assistant Superintendents with salaries from Rs. 200 upwards, and there is not a single Indian among them. Only among 11 Probationary Assistant Superintendents there are 4 Indians. In the Educational Department, there are 25

officers drawing salaries of Rs. 500 and above, and of these only 5 are Indians. In the Public Works Department the proportion of Indians is larger, there being 26 Indians classed as Executive Engineers and Assistant Engineers out of 81 Superior Officers of the Department. Turning next to Bengal, we find that in the Forest Department there are 26 officers whose salaries range between Rs. 200 and Rs. 1,200 a month, and among these only 2 are Indians and they are in the lowest grades. In the Salt Department there are 4 officers with salaries ranging from Rs. 300 to Rs. 1,000. There is no Indian among them. In the Customs Department there are 41 appointments, with salaries ranging from Rs. 260 to Rs. 2,250; not a single one among them is held by an Indian. In the Opium Department there are 87 officers with salaries coming down from Rs. 3,000 to so low a point as Rs. 140 a month; only 12 out of these are Indians. Two officers belong to the Stamps and Stationery Department and draw Rs. 1,120 and Rs. 500 a month; but neither of them is an Indian. In the Jail Department there are 1 Inspector-General, 12 Superintendents and 4 Deputy Superintendents. There is only one Indian among them, and he is in the rank of Deputy Superintendent. In the Educational Department there are 59 officers drawing Rs. 500 and above, and out of these only 10 are Indians. Lastly, in the Public Works Department, 84 officers draw a salary of Rs. 500 a month and above, of whom only 15 are Indians. The other provinces tell the same mournful tale, and I do not wish to trouble the Council with any more details in this matter.

Now, my Lord, I would respectfully ask if such virtual exclusion of the children of the soil from these Special Departments can be justified on any grounds. Reasons of political expediency may be urged for our exclusion from the Army. It might also be urged with some show of reason that the Civil Service of India must continue to be recruited, as at present, by means of a competitive examination held in London, because that Service represents the traditions of British rule to the mass of the people, and its members must, therefore, be imbued with the English spirit and be familiar with English modes of thought: and

that in theory at any rate Indians are free to compete for entrance into the service on the same terms as Englishmen. But why this shutting out of our people from the Special Departments also? There is no question of political expediency involved here. If Indians are found to sit on High Court Benches with dignity to themselves and honour to their country, it cannot be contended that they would be found wanting, if they were entrusted with responsible duties in the Opium or Salt or Customs Department. If it be argued that for the technical instruction that is necessary in the Telegraph and some other Departments there are no adequate facilities in the country, the answer to that is that Government should provide those facilities to the people of this country. But the virtual monopoly of these Departments is so jealously guarded that, where competitive examinations for entrance into them exist, those examinations have been surrounded with stringent restrictions such as are unknown in the case of the great Civil Service. Thus while an Indian, by passing the Indian Civil Service Examination, might one day be the Head of a District or of a Division as some Indians actually are at present, no Indian is allowed to compete for entrance into the Police Department at the competitive examination that is held in London, because, if he passed, he might one day be the head of the Police in a district. Again, only two years ago the rules for admission into the Engineering and Telegraph Departments from Cooper's Hill were altered with the express purpose of preventing more than two Indians in any particular year from entering those services. This alteration of the rules was a grievous wrong done to the people of India, and it has produced a feeling of bitter resentment throughout the country. In the Educational and Public Works Departments, our numbers are slightly more satisfactory than in the other departments, but even here the constitution of a Provincial Service, with a lower status and a lower scale of pay, has caused much dissatisfaction and discontent. My Lord, if all posts were equally open to Indians and Europeans, something may be said in favour of paying the Indian a smaller salary, if Government in the interests of economic administration preferred the Indian to the

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Englishman, when both were equally eligible; but to restrict the employment of Indians and at the same time to pay such of them as are employed a lower salary is to inflict upon them a double disadvantage, the reason for which it is not easy to understand. My Lord, the Universities turn out every year a large number of young men who have received a fairly high education. It is a natural aspiration on the part of many of them to seek responsible employment in the service of their own country. If they find a bar in front of them, whichever way they turn, how can they be blamed if they occasionally show signs of discontent? They belong to what may be called the articulate classes of this country, and what they say sinks slowly but steadily into the minds of the mass of the people. We have been promised equality of treatment, both in the Act of 1833 and the Proclamation of 1858. I for one am prepared to allow that such equality of treatment is under existing circumstances possible only within certain limitation; only I am anxious that there should be a constant movement in the right direction, and that, as year succeeds year, the sphere of employment should widen for my countrymen more and more. I ask this in the name of good policy as well as of justice, and I earnestly trust that the spirit of my remarks will not be misconceived.

My Lord, I must apologize to the Council for having spoken at such unconscionable length and strayed over a somewhat wide variety of topics. But this is the only day in the year when the non-official Members of the Council find an opportunity to place before Government their views, such as they may be, in regard to the more important questions connected with the Administration of India. No one denies that the difficulties of the position are great, and no one expects radical or far-reaching changes all in a day. What one regrets most, however, in the present system of administration is that it favours so largely a policy of mere drift. The actual work of administration is principally in the hands of members of the Civil Service, who, taken as a body, are able and conscientious men; but none of them individually can command that prestige, which is so essential for inaugurating any large scheme of policy

involving a departure from the established order of things. The administrators, on the other hand, who come out direct from England, command, no doubt, the necessary prestige, but their term of office being limited to five years, they have not the opportunity, even if they had the will, to deal in an effective and thorough-going manner with the deeper problems of the administration. The result is that there is an inveterate tendency to keep things merely going, as though every one said to himself: 'This will last *my* time.' What the situation really demands is that a large and comprehensive scheme for the moral and material well-being of the people should be chalked out with patient care and foresight, and then it should be firmly and steadily adhered to, and the progress made examined almost from year to year. My Lord, speaking the other day at the Imperial Assemblage at Delhi, Your Lordship was pleased to observe:—

If we turn our gaze for a moment to the future, a great development appears with little doubt to lie before this country. There is no Indian problem, be it of population or education or labour or subsistence, which it is not in the power of statesmanship to solve. The solution of many is even now proceeding before our eyes.

The India of the future will, under Providence, not be an India of diminishing plenty, of empty prospect, or of justifiable discontent; but one of expanding industry, of awakened faculties, of increasing prosperity, and of more widely distributed comfort and wealth. I have faith in the conscience and purpose of my own country, and I believe in the almost illimitable capacities of this. But under no other conditions can this future be realised than the unchallenged supremacy of the Paramount Power, and under no other controlling authority is this capable of being maintained than that of the British Crown.

My Lord, the people of India have all along accepted with willing allegiance the condition so justly insisted upon by Your Lordship, namely, the unchallenged supremacy of the Paramount Power, and the faith expressed in the purpose and conscience of England is our main ground of hope for the future. Both sides stand to lose a great deal if their harmonious co-operation is ever disturbed, and working in a spirit of mutual understanding and appreciation, they may realise for this country an honoured position among the nations of the earth and for England the glory of having helped India to such a position.

## BUDGET SPEECH, 1904.

*[At a meeting of the Imperial Legislative Council held on Wednesday the 30th March, 1904, His Excellency Lord Curzon presiding, the Hon. Mr. G. K. Gokhale spoke as follows on the Financial Statement for 1904-05, presented by the Hon. Sir. Edward Law :—]*

Your Excellency, I join heartily in the congratulations which have been offered to my Hon'ble friend the Finance Member on the very interesting Financial Statement which he has presented to the Council this year. I think the Hon'ble Member has been the luckiest Minister that has ever held charge of the Financial portfolio in this country. Large surpluses have been the order of the day during his time. They, indeed, began before he took charge of his office. For the year that is about to close is the sixth year in succession when a large surplus has been realised. In the opening paragraphs of the new Financial Statement, the surplus for the closing year is shown at £2,711,200, i.e., a little over four crores of rupees. But, as Mr. Baker points out in his note, the true surplus is about 6·72 crores and of this sum special grants, aggregating 2·65 crores, have been made to Provincial Governments. We thus have the extraordinary phenomenon of a year in which taxes bringing in a revenue of close upon two crores of rupees were remitted, showing, in spite of the remission, a surplus of about 6¾ crores. Never before, my Lord, were such huge surpluses realised in the history of Indian finance, and the fact that they have shown themselves year after year for six years in succession proves conclusively that the level of taxation has been fixed much higher than the needs of public expenditure require or the circumstances of the country justify. The surpluses of the last six years have aggregated nearly 29 crores of rupees. If we take the twenty years immediately preceding this period of six years, we find that the total of surpluses in those years was only 17½ crores and the total of deficits 19½ crores—

or a net deficit of two crores. A total surplus of 29 crores in six years as against a net deficit of two crores in twenty years—this illustrates with sufficient clearness the startling change that has taken place in the position of the country's finances. What has brought about this change? There have been no sudden accessions to the wealth of the people, nor has a policy of severe retrenchment been adopted, resulting in a reduction of public burdens. On the other hand, the earlier years of the periods were marked by two of the severest famines that India has ever known, causing enormous losses to the people in crops and cattle, and necessitating a large outlay on the part of the Government for famine relief; and during the later years there has been a notable increase in public expenditure. How then, have these large and recurring surpluses been caused? The explanation, my Lord, is not far to seek. For twelve years, from 1885 onwards, the country passed, financially speaking, through a period of exceptional storm and stress, the falling rupee and the failing opium causing the Finance Minister the utmost anxiety and giving him practically no rest. And the level of taxation had to be continuously raised so as to maintain, even in the most adverse circumstances, a budgetary equilibrium between the revenue and the expenditure of the country. The lowest point reached by the rupee was 13*d*. The lowest level reached by opium-revenue was about five crores of rupees. Since then the rupee has risen to 16*d*, and has firmly established itself there, owing to the currency legislation of Government, and a rise of 3*d*. means a saving of about five crores in the remittances necessary to cover the home charges. There has also been a remarkable recovery in the opium-revenue, the figure for the closing year being actually over 8½ crores. The rise in the rupee and the recovery in the opium-revenue have thus brought about an improvement of about eight crores a year in the financial position of the Government of India. From this we must deduct about two crores, being the amount remitted last year, under the salt-tax and the income-tax; and if we assume that the normal increases in the ordinary sources of revenue go to cover the normal increases in expenditure, we get, on the present basis of



taxation, an annual surplus of about six crores of rupees. It may, however, be urged that the improvement in the opium-revenue may not last and that it is not prudent to lower the level of taxation on the strength of the present improvement. Even allowing this to be so, we still have a large permanent excess of revenue over expenditure, and this excess fully justifies a prayer on the part of the people for further remission of taxation. The relief granted last year evoked a general feeling of gratitude throughout the country and nobody has forgotten it. Looking, however, to the prosperous condition of the national exchequer, we feel we are entitled to ask for a larger measure of relief. My Lord, in the twelve years of storm and stress to which I have referred, it was perhaps necessary for the Finance Minister to act on the safe, if somewhat over-cautious, plan of under-estimating the Revenue and over-estimating the expenditure. But though the difficulties of that position have passed away, the tradition, once established, still holds the field. And our budget estimates continue year after year to be so framed as to show the smallest possible surplus, when everyone, including, I believe, the Finance Member himself, fully expects that a large surplus will be realised at the end of the year. My Lord, an equilibrium between the ordinary revenue and the ordinary expenditure is of course a necessity in a solvent nation's finance. Under favourable conditions, even extraordinary charges might be met out of revenue. And further, to assure the position, a moderate surplus may be provided for. But anything beyond this is opposed to all the received canons of good finance. Nothing, to my mind, can be more indefensible than to raise from the people, year after year—as has been done for the last six years—a larger revenue than is fairly needed for the requirements of the country. As Major Baring (now Lord Cromer) put it in his Financial Statement for 1882-83 :—

It is, of course, desirable to estimate for a moderate surplus. But to keep on taxes in order to secure too large a surplus is unjustifiable.

The Hon'ble Member himself expressed a similar view in his Financial statement of last year. In announcing last year's remission of taxation, he said :—

In view of the present satisfactory situation, it is the opinion of the Government of India that it is neither desirable nor good financial policy to continue levying taxation at present rates, yielding such large recurring surpluses as have been realised during the last four years. It is true that our expenditure is necessarily increasing with the increasing development of the country, and some of our present sources of revenue do not show much sign of elasticity. But for the present our receipts are in excess of our needs, and even should it be necessary some years hence to seek the means of increasing revenue we hold that we are not justified in continuing taxation at its present level during an interval which we trust may be prolonged.

My Lord, in a country admittedly so poor as India, where, again, the people are just emerging from a series of calamitous years, it is essential that the weight of public burdens should be kept as light as possible. The existence of a large surplus is a direct invitation to the Government to increase expenditure, and further it constitutes a temptation to the authorities in England to try and shift a portion of their own burdens to the shoulders of the Indian Government. I cannot help wishing, therefore, that my Hon'ble friend had seen his way, in view of his large surplus, to recommending further relief to the taxpayers of this country. As the recurring surpluses have been made possible by the currency legislation of the Government, it is but fair that the class whose interests have been most adversely affected by that legislation—the bulk of our agricultural population—should receive the major portion of whatever relief is granted. My Lord, the fall in general prices as a result of the artificial appreciation of the rupee has, I think, already begun, however its operation may be hidden from view by other causes. The Hon'ble Member himself seems to recognise this, inasmuch as he warns us to be prepared for a decline of prices during the next few years. When the full effects of the currency legislation unfold themselves and the final adjustment of prices to the standard of the new rupee takes place, it will be found that a grievous addition has been made to the burdens of the agricultural producer and that virtually his assessment has been enhanced by nearly fifty per cent. The delay that has occurred, owing to various circumstances, in such adjustment taking place, has enabled some people—including even persons in high

authority—to make very astonishing claims for the new rupee. Thus we find that the late Secretary of State for India, at the time of presenting the last Indian Budget to Parliament, expressed himself as follows :—

While the exchange value of the rupee has externally risen, and has without difficulty been maintained practically at the rate of 1s. 4d., prices have not been adversely affected. In fact, the prices of commodities of general consumption have risen rather than fallen. By reducing the number of rupees to be remitted to this country to meet gold obligations, surplus after surplus has been secured during the past four years. And the present remission of taxation is mainly due to the success of our present currency policy.

I do not wish to trouble the Council with any lengthy discussion on this point, but all I would like to ask is, if the Secretary of State for India really imagines that such an impossible feat as that of raising the exchange value of the rupee without involving an indirect increase in the taxation of the country can be performed, what is there to prevent the Government of India from raising the rupee still higher—say, to 1s. 6d. or 1s. 9d. or even 2s.? The surpluses then would be even larger than now and as, according to Lord George Hamilton's argument, no harm is done to anybody in India by such artificial appreciation, there is no reason whatever why such a wonderfully easy and simple method of increasing the resources at the disposal of the Government should not be adopted. I think, however, that the Lords Commissioners of the Treasury showed a better appreciation of the rupee than the late Secretary of State for India, when, in a letter, dated 24th November 1879, they wrote :—

It appears too that the Government of India, in making the present proposal, lay themselves open to the same criticisms as are made upon Governments which have depreciated their currencies. In general, the object of such Governments has been to diminish the amount they have to pay to their creditors. In the present case, the object of the Indian Government appears to be to increase the amount they have to receive from their taxpayers. If the present level of exchange be due to the depreciation of silver, the Government scheme, if it succeeds, may relieve the Indian Government and others, who desire to remit money to England, but this relief will be given at the expense of the Indian taxpayer or with the effect of increasing every debt or fixed payment in India, including debts due by raiyats to money-lenders.

I submit, my Lord, that there should really be no difference of opinion on this point and that the authors of the currency policy should freely admit that, whatever its counter balancing advantages may be, that policy involves a most heavy indirect addition to the burdens, especially of the agricultural population, when its full effects manifest themselves. Of course we all recognise that a reversal of the currency policy, adopted more than ten years ago, is not now within the pale of practical politics. But that only imposes upon the Government the responsibility to take every opportunity that offers itself to grant such relief, as may be reasonably possible, to those to whom the State undoubtedly owes some reparation.

My Lord, I think that three particular forms of relief may be specially suggested for the consideration of Government on the present occasion. The first is the abolition of the excise duty on cotton goods; the second is a further reduction of eight annas in the salt-tax; and the third is a lowering of the land-revenue demand—especially in the North-West Provinces, Bombay and Madras. Of these the subject of excise duty has been more than once discussed in this Council, and I do not wish to refer to it at any length to-day. I think there is now no doubt that this duty is really paid by the consumers, which means by the bulk of our poorer classes; and thus, while it hampers the mill industry to a considerable extent, it also constitutes a serious and perfectly unnecessary addition to the burdens of our poorer classes. The Hon'ble Member says that:

It is impossible to believe that the average enhanced cost to the individual consumer of cotton cloth on account of the excise exceeds  $3\frac{1}{2}$  annas per annum.

But I submit that even  $3\frac{1}{2}$  annas a year is a serious matter to those whose annual income—taking official calculations alone—does not exceed Rs. 72, as calculated by Sir David Barbour and Lord Cromer, or Rs. 30, as calculated by Your Excellency three years ago, and whose normal state is one of

abject poverty and, in the case of a considerable proportion, even of chronic destitution. I think, my Lord, that the arguments in favour of the abolition of this duty are unanswerable and that the moral effect of its maintenance is even more disastrous than the financial or economic one. The Hon'ble Member has, however, urged a strange plea in his Financial Statement to justify the continued levy of so objectionable a duty, and I confess it has surprised me not a little. The Hon'ble Member says :—

Moreover, it must be remembered that a certain amount of revenue is a necessity to provide for the administration of the country and the cotton excise dues now return upwards of 20½ lakhs, having increased from Rs. 11,62,947 in 1900-01. It is very easy to object to any and every class of taxation, but those who make objections should, I think, offer suggestions as to how revenue could be maintained if their objections were to be admitted.

My Lord, if my Hon'ble friend really believes that the excise duty is maintained because it brings in a revenue which the Government cannot afford to give up, he is probably the only man in India or in England who thinks so. Moreover, can the Hon'ble Member be serious when he advances such an argument with a surplus of nearly 6½ crores in hand, reduced to four crores by special grants made to Provincial Governments? Why, my Lord, instead of the Government being unable to sacrifice 20 lakhs a year, there seems to be such a plethora of money in the country's exchequer that the Government do not know what to do with it! I could have understood Sir Auckland Colvin or Sir David Barbour or Sir James Westland using the language that my Hon'ble friend has used. But he, the fortunate realiser of surplus after surplus—such as were never before dreamt of in the history of Indian finance—surely he must not speak as though he knew not which way to turn to make the two ends meet!

My second suggestion for granting further relief to the poorer classes of the country is that another eight annas should be taken off the salt duty. This duty was reduced by eight annas last year, and the measure of relief was received with deep gratitude throughout the

country. The reduction might, however, be carried still further without any inconvenience. The salt-duty question in India is essentially a poor man's question: for it is the poorer many—and not the richer few—who eat more salt when it is cheap and less when it is dear. The soundest and best policy in the matter—even financially—would, therefore, seem to be to raise an expanding revenue on an expanding consumption under a diminishing scale of duties. Again, every reduction effected in this duty gives the Government a valuable financial reserve, which may be used without difficulty in times of sudden emergency. A further reduction of the salt duty is, therefore, from every point of view, a most desirable form of relief. In this connection, there is one matter which I would respectfully urge upon the attention of Government. The manufacture of salt in India is strictly under Government control, and practically a Government monopoly. And the monopoly is enforced under restrictions and in a manner which have the effect of transferring about a third of the industry to the foreign manufacturer. Numerous small salt-works which formerly existed on the coast have been suppressed and the manufacture has been concentrated at a few places with a view to bringing it under effective control. The result is restricted production. We have an extensive sea-board and salt-mines too, and can manufacture every pound of salt we need. And yet, under the existing fiscal system, about a third of our supply comes from foreign countries. The following figures, taken from the Material and Moral Progress Report for 1901–02, are instructive:—

Imports of salt from			1891-92.	1901-02.
			Tons.	Tons.
The United Kingdom	...	...	222,300	259,200
Germany	...	...	103,400	76,700
Red Sea and Persian Gulf Ports	...	...	45,700	147,700
Other places	...	...	2,600	32,600
Total			374,000	516,200

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The imports have thus increased 38 per cent. in ten years! I submit that in respect of such a prime necessary of life as salt—especially when we have plenty of it within the four corners of this country—we ought not to be forced to depend on foreign supplies to a steadily-increasing extent!

The third measure of relief which I would respectfully urge upon the attention of Government is a lowering of the land-revenue demand, especially in the North-West Provinces, Bombay, and Madras. The most noticeable feature of this branch of revenue is its large and almost continuous increase. In 1890-91, it stood at 24·04 crores. Its rise since then may be seen from the following figures :—

1890-91	...	...	24·04	crores.
1893-94	...	...	24·58	"
1895-96	...	...	26·20	"
1898-99	...	...	27·46	"
1901-02	...	...	27·432	"
1903-04 (Revised)	...	...	28·89	"
1904-05 (Budget)	...	...	29·38	"

An increase of over 22 per cent. in fourteen years. On the other hand, the figures of cropped acreage are :—

1890-91	...	...	194·41	millions of acres.
1893-94	...	...	197·38	" "
1895-96	...	...	188·92	" "
1898-99	...	...	196·48	" "
1900-01	...	...	198·31	" "

Or an increase of just 2 per cent. in eleven years! Coming to the three Provinces that I have specially mentioned, we have the following interesting figures :—

### *North-Western Provinces.*

Year.	Ordinary land-revenue.	Cropped area.
1886-87 ...	580·7 lakhs.	33·92 million acres.
1902-03 ...	636 "	34·61 " "

Or an increase of nearly 10 per cent. in revenue on a practically stationary cropped acreage.

### *Madras.*

Year.	Land-revenue.	Cropped area.
1886-87 ...	460·5 lakhs.	23·01 million acres.
1902-03 ...	582·5 "	24·50 " "

Or an increase of nearly 25 per cent. in revenue with an increase of only  $6\frac{1}{2}$  per cent. in the cropped acreage.

*Bombay.*

Year.	Land-revenue.	Cropped area.
1886-87 ...	270 lakhs.	24·2 millions.
1894-95 ...	289 „	24·5 „
1900-01 ...	298·2 „	21 „

Or an increase of 13 per cent. in revenue with hardly any increase in the cropped area, which shows some fluctuations owing to the prevalence of famine during the closing years of the last century.

My Lord, agriculture is the only surviving economic stand-by of the mass of the people, and yet no industry in the country is in deeper distress. The soil, under a system of generally unmanured cultivation, is undergoing steady exhaustion. The yield of crop per acre is falling—being now little more than 9 or 10 bushels as against 20 to 35 bushels in western countries with far less favourable agricultural conditions. And the raiyat in most parts is a poor, struggling cultivator, with his resources all but exhausted, and himself more or less involved in debt. In these circumstances, the increases of land-revenue—especially in the Provinces referred to above—are large, and weigh with undue pressure on the land. And I submit that the question of granting relief to the hard-pressed cultivators by the lowering of the assessment is one which, in the present prosperous condition of the country's exchequer, deserves favourable consideration at the hands of Government. While on this subject, I beg to acknowledge with pleasure and gratitude the liberal action of the Bombay Government in granting considerable reductions of assessment in the Guzerat districts. These reductions amount to 5·30 lakhs on an aggregate assessment of 85 lakhs—or over 6 per cent. Strangely enough, however, the Government have declined to concede any such relief to the Dekkhan raiyats, and yet the case of the Dekkhan is the most urgent. The Dekkhan is an arid upland with a poor soil and a precarious rainfall, and yet pays an aggregate assessment of 120 lakhs on a cropped acreage of



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11 millions of acres. The MacDonnell Commission have expressed the opinion that it is not only a full assessment, but weighs harder on the Dekkhan peasantry than elsewhere on account of scanty crop-yield, and is one of the causes of agricultural indebtedness. Besides, during the calamitous decade ending with 1901, this tract suffered as no other did throughout the country. The population declined from 62·1 lakhs to 59·4 lakhs; the cropped area fell off, and the crop-losses amounted to over 50 crores of rupees. The cattle loss was over 42 per cent. and there was an alarming increase of agricultural debts. Altogether there was in these districts a degree of agricultural deterioration and economic exhaustion such as had not been witnessed in any part of the country during the last century. And yet so far the only reductions which the Bombay Government have announced amount to a trifle over Rs. 3,000!

My Lord, in explaining an increase of half a million sterling under excise-revenue in the revised estimates for the closing year, the Hon'ble Member says:— Increase of revenue is undoubtedly in great measure due to improved administration and greater attention to improvement in the condition of the people,' which is the Hon'ble Member's paraphrase of the expression 'increased consumption.' And he proceeds to observe:—

Satisfactory as this is from one point of view—a growth of revenue, we could not regard with satisfaction any increase which might possibly be attributed to increased consumption of alcohol in excess of the legitimate requirements of those classes among the population to whom, from long habit and custom, alcohol in moderation is a virtual necessity. There is no desire on the part of the Government of India to increase revenue by encouraging indulgence in alcohol. It is a matter in which we feel our full responsibility, which undoubtedly requires constant, careful watching, and to which at the present moment we are devoting special attention in the interests of temperance and morality.

This declaration of the Hon'ble Member will be welcomed with sincere satisfaction throughout the country. The revenue under Excise shows an alarming growth during the last twenty years, having risen from 3·63 crores in 1882-83 to 6·64 crores in 1902-03, an increase of 82

per cent., or taking the year 1903-04 to 7·4 crores, *i.e.*, an increase of over 100 per cent. in 20 years. The increase in population during the period has been only 15 per cent. Part of the increase in the revenue has no doubt been due to enhancements of excise-duties and to stricter preventive measures. But a large part has been owing, as admitted by the Finance Member himself, to increased consumption. The import of liquors too has increased during the time by over 35 per cent., having risen from 4·12 million gallons to 5·57 millions. All things considered, there is the clearest evidence to show that the curse of drink is on the increase, especially among the lower classes and the wild aboriginal tribes, spreading ruin and misery among them. As appears from the Material and Moral Progress Report for 1901-02, in Bengal the consumption of country spirits in distillery areas shows an expansion of 55 per cent., having advanced from 3·9 lakhs of gallons to over 6·1 lakhs during the decade 1891-92 to 1901-02. So, too, in the United Provinces of Agra and Oudh, the reported consumption of country spirits was 24 per cent. higher. No accurate statistics are forthcoming on this point, but the fact of an expanding consumption is undoubted, and it behoves the authorities anxiously to consider whether more effective measures could not be devised than at present with a view to checking the spread of consumption of these intoxicants among the poorer classes. It is true that some reduction has been effected in the number of shops, but in this matter as much depends upon the sites of these shops as on their number—perhaps more. Were shops to be set down opposite schools, colleges, places of worship, hospitals, etc., as the Hon'ble Mr. Woodroffe said the other day in the Bengal Legislative Council they were in Calcutta itself, it would be of little avail to reduce merely their total number. Local option is the only remedy for an evil such as this. In the Material and Moral Progress Report to which I have already referred, we are told that definite orders have been passed in accordance with the principle formulated by the Government of India in 1890 to the effect that before any new site is fixed for the establishment of a shop, reference shall be made to local opinion and that any

reasonable objection shall be entertained. The instruction here described as authoritatively laid down is as it should be; but it is open to question how far it is acted on in practice. Instances can be cited of shops, in reference to the location of which no deference whatever has been shown to local opinion or sentiment. Further, the existing arrangements of the excise administration leave much to be desired. The 'minimum guarantee' in Bombay, the general auctioning of licenses to keep stills in out-still areas and even the central distillery system, with its varying arrangements for the manufacture of spirits—these are some of the features of the existing administration which require close and careful investigation. The whole subject calls for a fresh examination and it behoves Government to institute a searching inquiry. Education would be an effective remedy, but its operation is bound to be slow. I think legislative effect should be given to the direction as to local option.

My Lord, among the important topics of a general character, on which this year's Financial Statement offers some interesting observations, is the subject of India's balance of trade. The Hon'ble Member states at the outset that he has been much surprised to learn that 'there are considerable misapprehensions abroad on the question of the balance of trade.' And, after examining certain figures for the three years from 1900-01 to 1902-03, the Hon'ble Member records his conclusion that the figures 'entirely dispose of the erroneous assumption that India is paying for more than she receives under the three heads of imported goods, imported investment securities, and payment abroad of budgeted Government sterling charges.' His argument is briefly this: during the three years under consideration, the excess value of exports over imports was £47·58 millions sterling. From this total must be deducted £1·45 millions being the value of rupee paper transferred to India during the period; while we must add to it a sum of £2·14 millions, representing the value of stores, arms, munitions and animals, supplied to the Home Government in connection with their requirements in South Africa and China. This gives us a net

excess of exports in three years of £ 48·27 millions. Now, says the Hon'ble Member, this is practically the amount of the Secretary of State's drawings during the three years. And thus the excess of the country's exports over its imports is no more than the amount of the Home charges, which means that the Home charges really represent *all* that India pays annually over and above what she has to pay in return for her imports. My Lord, I confess I was startled to read this paragraph, and I asked myself: 'If the Hon'ble Member is right, what becomes of the profits which English merchants annually earn in India; what becomes of the freight the English Companies earn; what becomes of the savings of English lawyers, English doctors, English Civil and Military servants of the Crown? Does nothing really go out of India for all these?' And then I examined the Hon'ble Member's figures somewhat closely, when I found that he had left out of account two most important items. The excess of exports over imports that he gives is the excess of all our exports over all our imports, including merchandise and treasure and stores, both Government and private. The imports thus include (1) the capital raised annually in England and spent on Indian railways and irrigation works, for which there is no corresponding export, and (2) the Government stores for which provision is made in the Secretary of State's disbursements for current purposes; these stores are worth about 1½ to 2 crores a year, and they represent a value received by India for a corresponding portion of the Home charges, and they are thus different from the rest of the Home charges. Our real imports, therefore, *i.e.*, those which we receive in exchange for our exports, are less than our nominal or total imports by the amount of the capital which is raised by the State and by Companies in England every year and spent on Indian railways and irrigation works. And, secondly, the net loss to the country under Home charges is represented, not by the whole of the Secretary of State's drawings, but by a sum which is equal to those drawings *minus* the value of the stores for which provision is made in his current disbursements. The amount raised in England during the three years under consideration and spent on public work

in India was, I believe, about 16 millions sterling. This figure must, therefore, be deducted from our total imports to get at the imports which we received in exchange for our exports. We thus have during the three years an excess of 64 millions and not 48 millions of our exports over our real imports. As against this we have to set, not the whole of the Secretary of State's budgeted drawings, which have been stated to be 49 millions sterling, but these drawings *minus* the value of the stores included in them, which was over three millions. We thus see that while the Secretary of State's drawings for his own purposes would have been satisfied by an excess of about 46 millions sterling of our exports over imports, the actual excess was about 64 millions sterling or about 18 millions more in three years. I think, therefore, that we may well assume that this sum of 18 millions represents the amount which India paid more than she received during the three years under the three heads of 'imported goods, imported investment securities, and payment abroad of budgeted Government sterling charges.' Moreover, this figure does not take into account the capital imported into India by private individuals or Companies for minor industrial undertakings.

My Lord, a most striking feature of this year's budget is the great increase that has taken place in the military expenditure of the country. The Finance Member himself is almost outspoken in the expression of his regret on the subject. The Budget Estimate for 1904-05 exceeds all previous record—the charge budgeted for coming to no less than 28·6 crores. The following figures show how steady and continuous has been the rise in our military expenditure during the last twenty years:—

Year.	Military expenditure in crores of rupees.		
1884-85	...	...	16·96
1887-88	...	...	20·41
1890-91	...	...	20·69
1894-95	...	...	24·09
1902-03	...	...	25·91
1903-04 (Revised)	...	...	26·78
1904-05 (Budget)	...	...	28·66

or an increase of nearly 70 per cent. in twenty years as against an increase of about 44 per cent.—from 51 crores to 73 crores—in the receipts under the principal heads of revenue. The Hon'ble Sir Edmond Elles gives in his statement what he will forgive me for calling a curious table, compiled to show that, whatever may be the actual figure of military expenditure, it is not only not rising relatively to the total revenue of the country, but that as a matter of fact there is a notable decline in the percentage of revenue spent on the army. The Hon'ble Member takes two periods of four years each, one from 1896-97 to 1899-1900 and the other from 1900-01 to 1903-04 and he seeks to prove that while during the former period the net military expenditure of the country was 24·7 per cent. of the total revenue, during the latter period it has been only 21 per cent. The Hon'ble Member's method of instituting comparisons is, however, open to most serious objection. His first period is a period of famines and frontier wars, so that while the revenue during that time is not at its normal level, the military expenditure is at an abnormally high level, and thus he gets a higher percentage for purposes of his comparison. The second period, on the other hand, is a period during which the revenue is above the normal owing to specially good seasons, and the military expenditure is below the normal owing to a part of the troops being engaged in South Africa and China. Now this is bad enough, but worse than this is the fact that while he takes on the one hand only net military expenditure, he takes on the other the gross revenue of the country. Now, as we all know, the figures of gross revenue are altogether useless for purposes of a fair comparison; for they include large receipts under commercial services—*i.e.*, railways, irrigation works, post and telegraph—which are balanced by corresponding entries on the expenditure side and which, therefore, only go to swell the total figures of gross revenue without making any real addition to the resources available for administrative purposes. Moreover, railway receipts have been of late years going up by leaps and bounds. Of course the entries under railways on the other side have also been correspondingly increasing, but

if you take into consideration only the figures of gross revenue, you get an altogether erroneous idea of the growth of the real revenue of the country. For purposes of a useful comparison, therefore, the only proper method is to take the figures either of net revenue or of the total receipts under what are known as the principal heads of revenue. Taking the latter set of figures, which are more favourable to the Hon'ble Member's point of view than the former, we find that the net military expenditure is about 36 per cent. of the revenue under the principal heads, and that this percentage has practically continued steady at that figure except during the years when the Indian exchequer secured some relief by lending a portion of the Indian troops for service in South Africa and China. The question of these percentages however is, comparatively speaking, of less importance than the question whether there is ever to be a limit to the growth of these military burdens. My Lord, the question of military expenditure is really one of policy, and in the shaping of that policy the people of this country have no voice. But may we not ask, as I asked in my budget speech of last year, that Government should adopt a policy of a little more trust in this matter! For, while things continue as they are—with our Army maintained on a war-footing in times of peace, with no national militia of any kind and the people of the country altogether shut out from the privilege of citizen soldiery—there is no prospect that the heavy sacrifices demanded at present of the country will ever grow less heavy. My Lord, His Excellency the Commander-in-Chief addressed the other day a powerful appeal to Englishmen in India to come forward and enrol themselves as volunteers from a sense of public duty. May not the Government consider the desirability of permitting—aye, inviting—carefully selected classes from among the children of the soil to share in the responsibilities of national defence? Both sentimental and financial considerations demand the adoption of a policy of this kind; and unless this is done, the growing military expenditure of the country will in course of time absorb all available resources and cast its blighting shadow over the whole field of Indian administration.

My Lord, these were some of the observations that suggested themselves to me when I read the Financial Statement which my Hon'ble friend has presented to the Council this year. I have said nothing to-day about some of the more important branches of civil expenditure, because we seem to be on the eve of great changes which will affect and practically reconstruct the entire basis of the civil expenditure of the country. An administration, in many respects the most strenuous, as it undoubtedly has been the most eventful, of any that the country has known for many years past has formulated these changes after a prolonged inquiry, and the country is waiting to see how they work in practice when they are introduced. The advance that has been made this year in the matter of Provincial finance, the undertaking of a comprehensive programme of irrigation works that is expected as a result of the Irrigation Commission's labours, an improved Police Service, increased expenditure on education in all its branches, the institution of State scholarships for industrial education abroad, the establishment of an Agricultural College at Pusa, the encouragement of Co-operative Credit Societies—these and other measures will require a large outlay of public money, if they are not to disappoint the expectations that have been formed of them in the public mind. It will be some time before we are in a position to watch the actual operation of these measures and to see how far the increased expenditure necessitated by them has been justified. Meanwhile, my own frame of mind in regard to them is, I confess, one of great hope. I feel that, if they are carried out in the spirit in which they ought to be carried out, they will prove a source of no small benefit to the country. If this hope is realised, the increase in public expenditure which these measures must involve, will not only not be grudged, but will be regarded with feelings of sincere satisfaction and gratitude all over the country.

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## BUDGET SPEECH, 1905.

*[At a meeting of the Imperial Legislative Council, held on Wednesday the 29th March, 1905, His Excellency Lord Curzon presiding, the Hon'ble Mr. G. K. Gokhale made the following speech on the Financial Statement for 1905-06 presented by the Hon. Mr. E. N. Baker:—]*

My Lord, it is with sincere pleasure that I offer my warm congratulations to the Hon'ble Mr. Baker on the Financial Statement, which he has laid before the Council. The Statement is remarkable alike for its grasp of principle and its mastery of detail, and for lucidity of exposition it will take rank with the best statements that have ever been presented to this Council. Indian finance is at present passing through a new phase, and judging from the statement before us, we may well anticipate the Hon'ble Member's tenure of office as Finance Minister will be an eventful one. My Lord, there is but one feeling throughout the country—and it is a feeling of deep and unalloyed satisfaction—as to the manner in which the Government of India have decided to apply about 3½ crores of the excess of their revenue over expenditure to measures of remission of taxation, administrative improvement, and the general well-being of the people. I heartily welcome the further reduction of the salt duty by eight annas a maund. The duty now stands, as the Hon'ble Member rightly claims, at a lower rate than it has ever done during the last quarter of a century. In urging this measure of relief last year, I had ventured to observe:—

The salt duty was reduced by eight annas last year, and the measure of relief was received with deep gratitude throughout the country. The reduction might, however, be carried still further without any inconvenience. The salt-duty question in India is essentially a poor man's question; for it is the poorer many—and not the richer few—who eat more salt when it is cheap, and less when it is dear. The soundest policy in the matter—even financially—would, therefore, seem to be to raise an expanding revenue on an expanding consumption under a diminishing scale of duties.

The only reply, which was then vouchsafed to my appeal by our late Finance Minister, Sir Edward Law, was the remark that I was 'one of the multitude who stand at the door of the Treasury and always cry, "give, give!"' I rejoice, therefore, to find that in less than a year the Government have seen their way to effect this reduction, and I am confident that a rapid increase in consumption will follow, wiping out, before long, the loss that has been caused to the Exchequer and demonstrating at the same time the wisdom of the course adopted by Government. Two years ago, when the duty was lowered from Rs. 2-8 to Rs. 2 a maund, fears were expressed in certain quarters that the benefit of the reduction might not, after all, reach the poorer classes, being intercepted on the way by small traders. Many of us thought at the time that the fears were quite groundless, and I am glad to see that they have been most effectively disposed of by the remarkable increase in consumption that has since taken place. That there is still a very large margin for increased consumption is evidenced by the fact that in Burma, where the duty is only one rupee a maund, the average consumption of salt is 17 lbs. per head, as against about 10 lbs. in India proper, where the duty has been Rs. 2 a maund for the last two years and Rs. 2-8 before that. Even with the present reduction, the impost amounts to about 1,600 per cent. of the cost price, as it takes only about an anna and a half to manufacture a maund of salt, and it is clear that this is a very heavy tax on a prime necessary of life, which, as Professor Fawcett once said, should really be 'as free as the air we breathe and the water we drink.' And I earnestly trust that the Government will take another opportunity to carry this relief still further, especially as a low salt duty means a valuable financial reserve at the disposal of Government, and there is now no doubt that the relief accorded directly benefits the poorest classes of the community. The abolition of famine cesses will be hailed with satisfaction by the provinces concerned, and it redresses one of the anomalies of the Famine Insurance Grant. The raising of the weight which the Post Office carries for half an anna from one-half to three-fourths of a tola will be widely appreciated, and the definite declaration of policy, with which

this concession is accompanied, *viz.*, that it is not the desire of Government to treat the Post Office as a source of revenue, practically ensures that all excess of receipts over expenditure will in future be devoted to the further improvement or cheapening of postal facilities. Now that the letter-weight carried for half an anna is exactly half of what is carried for one anna, I hope a half-anna stamp will be made the unit for weights exceeding  $1\frac{1}{2}$  tolas instead of the one-anna stamp. The allotment of a sum of 50 lakhs to Police reform to improve and strengthen the lower grades of the service is a welcome measure of far-reaching importance and is unaffected by whatever differences of opinion there might exist about the recruitment of the higher grades. The addition of a rupee to a constable's salary may not make in individual cases any difference as regards his honesty or efficiency, but taken in the mass, the increment is bound to be reflected in an improved standard of work, and in any case the measure is a long-deferred beginning of an absolutely necessary reform. The grant of 35 lakhs to Provincial Governments for additional expenditure on Primary Education is also an important step in the right direction, the field of mass education being one in which what has been already done is but little, as has been admitted by the Government of India in their Resolution of last year on the subject, compared with what remains to be done. The grant of 20 lakhs for agricultural research, experiment and instruction, and the announcement that the ultimate aim of Government in this matter is 'the establishment of an experimental farm in each large tract of country, of which the agricultural conditions are approximately homogeneous, to be supplemented by numerous demonstration farms, the creation of an agricultural college teaching up to a three years' course in each of the larger provinces and the provision of an expert staff in connection with these colleges for purposes of research as well as education,' indicate that the Government at last have made up their mind to recognise in a practical manner the supreme importance of scientific agriculture in this land. Twenty lakhs a year for such a purpose for the whole of India is of course totally

inadequate, but it is a good beginning, and the Government have undertaken to find steadily increasing funds till the whole programme is properly carried out. The last measure, to which a part of the surplus is proposed to be devoted, is a grant-in-aid of the funds of District and Local Boards throughout India, amounting in all to about 56½ lakhs a year and equal approximately to one-fourth of the income of these Boards. This, to my mind, is one of the most interesting features of this year's Budget, and it is a feature on which I offer my heartiest congratulations to the Hon'ble Member. It means a frank acknowledgment of the claim of Local Bodies to participate in the financial prosperity of the Government of India and a recognition of the fact that without the aid of Government the resources of these bodies are utterly unequal to the proper discharge of the various duties laid on them. The last National Congress, which met in Bombay, had urged such assistance to Municipal and Local Boards, and I rejoice to find that Government have responded, at least partially, to the appeal. Successive visitations of famine and plague have in many places so far crippled the finances of these Boards that they have had the greatest difficulty in averting a complete breakdown, and it was a serious reproach to existing arrangements that, while there was such a plethora of money in the Government of India's Treasury, and even Provincial Governments were not able to exhaust all the grants made to them, these Local Bodies, whose work concerns the health and comfort of the public far more intimately than that of either the Supreme or the Provincial Governments, should continue year after year in a state almost verging on bankruptcy and should be unable to discharge satisfactorily even their most elementary duties! Government have now come forward to assist in a liberal spirit the District and Local Boards and the assistance will evoke the sincere gratitude of these Boards. Municipal Bodies have for the present been left out in the cold, but the principle of admitting Local Bodies to a share in the financial prosperity of Government having once been accepted, I venture to think that assistance, similar to what has now been offered to District and Local Boards, cannot

reasonably be withheld from Municipalities, whose difficulties are not less serious and whose duties are even more onerous than those of the Boards.

My Lord, the revised estimates for the current year shew a surplus of  $5\frac{1}{4}$  crores. This surplus has been obtained after making a special grant of one crore to the Governments of Bombay and the Punjab. So the real surplus for 1904-05 must be set down at  $6\frac{1}{4}$  crores. This is the seventh successive year, in which such a large surplus has been realised by the Government of India, and though advantage has been taken of it to remit taxation to the extent of about two crores of rupees and to apply about  $1\frac{3}{4}$  crores to most excellent objects, the whole financial position is still so extraordinary that it calls for a brief review. The surpluses realised by the Government of India during the last seven years amount in all to about  $32\frac{1}{2}$  crores of rupees, and they don't include the special grants made to the various Provincial Governments and Administrations from time to time. In addition to this, a sum of about  $12\frac{1}{2}$  crores has been earned by the Government of India during the last five years, as profit on the coinage of rupees, owing to the difference between the bullion value of silver and the token value of the rupee, and it has been set apart to form a Gold Reserve Fund. This gives us a clear excess of 42 crores of revenue over expenditure during the last seven years. Moreover, during this period, extraordinary charges, amounting to about 16 crores, for famine relief and for military purposes, have been met out of revenue. Further, about 2 crores have been spent out of revenue on Railways and Irrigation Works under Famine Insurance, under which head also a sum of  $3\frac{3}{4}$  crores has been devoted to the reduction or avoidance of debt. Even if we leave out of account the extraordinary charges met out of revenue and the sum spent on Railways and Irrigation under Famine Insurance, as money already spent, we still have a total of about 49 crores of rupees to represent the excess amount taken by Government from the people in seven years over and above the requirements of the administration. Twelve and a half crores out of this has

been set aside, as has been already mentioned, to form a Gold Reserve Fund, and the remaining, about  $36\frac{1}{2}$  crores, has been devoted to the repayment or avoidance of debt, as may be seen from the fact that during this period Government have discharged £ 5,000,000 net of temporary debt, and have spent  $48\frac{1}{2}$  millions on Railways and Irrigation Works, though they have borrowed only  $21\frac{3}{4}$  millions, the difference being found from Cash Balances, of which the surpluses form a part. Moreover, as an inevitable result of such plethora of money at the disposal of Government, public expenditure has increased in all directions—and notably under Army Services—on an unprecedented scale. The following figures for the last four years show at a glance how rapid has been the growth of public burdens and what is the position that has now been reached. In these figures, I have taken the revenue under Post, Telegraphs, Railways and Irrigation net. This, I submit, is the only way of presenting a correct idea of our revenue and expenditure, as the receipts under these heads are for services rendered and are balanced on the other side by corresponding expenses which virtually absorb the receipts. Unless, therefore, we take these figures net, we get an altogether erroneous idea of our real revenue and expenditure. I have also taken the revenue under Mint net because, for the present, at all events, the profit earned has to go to the Gold Reserve Fund and is therefore not available for general purposes.

*Revenue and Expenditure for four years 1901-02—1904-05.*

	(In millions sterling.)			
	1901-02.	1902-03.	1903-04.	1904-05 (Revised).
Revenue ...	51·91	52·27	55·27	57·59
Expenditure ...	46·96	49·21	52·28	54·11
Surplus	<u>4·95</u>	<u>3·06</u>	<u>2·99</u>	<u>3·48</u>

Coming to particular heads of expenditure, we find that the charge under Interest has actually gone down owing to a reduction of the ordinary debt. And the expenditure under Miscellaneous Civil Charges, as also under Famine Relief and Insurance, has remained virtually

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stationary. Under the remaining heads, there has been a large and steady increase, as may be seen from the following figures:—

(In millions sterling.)					Increase.
1901-02.	1902-03.	1903-04.	1904-05. (Revised).		
Collection charges under Principal Heads of Revenue.	6·19	6·35	7·16	7·17	nearly 1 million.
Salaries and expenses of Civil Departments ...	11·15	11·69	11·98	12·35	1·2 „
Civil Works ...	3·67	4·15	4·60	4·82	1·15 „
Army Services, including Military Works & Special Defence Works . .	16·73	18·44	18·93	21·45	4·72 „

I have taken 1901-02 as starting year for the comparison, because 1900-01 was a famine year, and before that, Government could not have felt sure of a large annual surplus. It will be seen that our expenditure has grown in four years by more than 7 millions sterling or about 10½ crores, and of this the Army Services have absorbed quite two-thirds, *i.e.*, 4½ millions or over 7 crores. Again, while the revenue under the principal heads has risen during this period from £ 46·60 millions to £ 50·38 millions or slightly over 8 per cent., the charges of collecting it have grown from £ 6·19 millions to £ 7·17 millions or by about 16 per cent.

Thus after allowing the expenditure to increase in all directions on an unprecedented scale, after making large special grants to Provincial Governments from time to time, after spending nearly 16 crores out of current revenues for non-recurring charges, and after laying by about 12½ crores for purposes of the Gold Reserve Fund, the Government have still been able to devote a sum of about 36½ crores in seven years, or a little over 5 crores a year on an average, to the reduction or avoidance of debt! I submit, my Lord, that such a system of finance is unsound in theory and indefensible in practice, for it involves grievous injustice to the present generation. I

can understand the Government always insisting on a moderate working surplus in framing their Budget Estimates and providing for the year's recurring charges out of the year's revenues. This was what they have uniformly done—even during the worst days of the exchange difficulty. But having done that, I venture to think they have no right to maintain taxation at a higher level than is necessary or to devote the resulting surpluses to the reduction of debt, as they have been doing. In all countries, it is an accepted canon of finance that the weight of public burdens should be kept as light as possible, and that the scheme of taxation should be so fixed and adjusted as to meet, but no more than meet, public requirements under normal conditions. If this is so in rich European countries, it should be much more so in India, where the revenue is raised from a poor, helpless population, and the larger part is contributed by a broken and exhausted peasantry, and where, owing to the special circumstances of the case, the character of public expenditure is such that a great portion of it has to be spent on objects unconnected or but remotely connected with the moral and material advancement of the people. Moreover, the ordinary debt of India—as distinct from the public works debt, which is fully covered by valuable assets—is not large, and there is no justification for being in such a hurry to reduce it. The utmost that the Government might do in the matter is to provide for a small sinking fund, say, about a million sterling a year; but beyond this it is indefensible to go especially as in the absence of a reduction of taxation, there are so many ways all intimately connected with the well-being of the people in which the surplus revenue could be spent.

This brings me to the scheme of Army re-organisation and the provision of 3 crores 66 lakhs that has been made for it in the next year's Budget. The scheme is one of vast magnitude, and it is claimed that it will be of lasting benefit. No lay criticism of its technical aspects can, of course, be of any value, though even laymen cannot help noting that expert opinion is not quite unanimous in regard to it. Thus



we find Colonel St. J. M. Fancourt, C.B., writing to the *Madras Mail* to urge that enlarged camps of exercise will serve the purpose as well as the proposed concentration camps and will be much less costly and will offer fewer administrative difficulties; that the training under the climatic conditions of the country, especially the summer heat, cannot be carried on the whole year round, which reduces the value of a permanent location of troops in large concentration camps, and that for the annual seasons of drill, troops can be moved and massed wherever desirable, the expanding Railway system affording increasing facilities for such movements. Laymen also cannot help thinking that in the very nature of things, there can be no finality in such plans of distribution of armed forces. The period is a period of mighty changes and the world's affairs are passing through a new phase. The rise of Japan as one of the first Powers in the world is a new factor in international politics and of vast significance. New and unexpected combinations may arise, and the danger-zones and danger-points may not remain as they at present are—for ever and ever. However, the towering personality of His Excellency the Commander-in-Chief must silence all objections to the scheme of which he is the author, and the required money—15 crores of rupees—has to be found to carry it out. The Government have announced their intention to meet the whole charge from current revenues, and they have already provided in the next year's Budget a sum of 3 crores 66 lakhs for the purpose as a first instalment, committing themselves at the same time to devote similarly 3 crores every year till the whole programme is completed. My Lord, I beg leave to protest most earnestly against this decision of the Government of India. The charge is heavy and non-recurrent and, on the analogy of English and Continental practice in similar cases, ought to be met out of loan funds. It is most unjust to the tax-payers to provide for it out of current revenues by yearly allotments and thus keep up the high level of taxation for an indefinite period. In other countries such charges are, as a rule, met out of borrowed money. In England, just at this moment, there are the Naval and Military Works Bills before the House of

Commons, under which it is proposed to carry out these works out of loans. And in defending such action, the Chancellor of the Exchequer pointed out the other day—on the 1st instant—that, ‘if the objects for which those measures provided were paid out of the estimates, there would be a disturbance of our system of taxation.’ My Lord, it is true that the people of India have no constitutional power, as the people in England have, to control or in other ways influence the administration of their finances by Government. But for that very reason, a solemn responsibility rests on the Government here not to ignore considerations that are accepted as conclusive in England. The present decision of Government, so unjust to the tax-payers, leaves room for legitimate complaint, especially when it is remembered that we have devoted no less a sum than 33½ crores of rupees out of current revenues towards the reductions of debt during the last seven years, and that an addition of fifteen crores will still leave it 21 crores lower than it was in 1898.

My Lord, I have already referred briefly to the alarming growth that has taken place in the military expenditure of the country in recent years. The military problem is the most dominant factor in the general position of the country's finances, overshadowing every other. National safety is, of course, the first and most paramount consideration in a country's administration. But no people can bear indefinite and ever-increasing burdens—practically without limit, and absorbing the greater part of every financial improvement—even in the name of such safety. I have on previous occasions spoken more than once on this subject at some length in this Council, and I do not, therefore, propose to say much to-day. Last year the Hon'ble Sir Edmond Elles, in his reply to some of my observations, told the Council that I had criticised measures about which my knowledge was infinitesimal. The remark was somewhat superfluous, seeing that in my speech I had taken care not to say one word about any technical matters. The Hon'ble Member then went on to cite the instance of Japan and ask what would have been her fate, if her future had been guided by statesmen

holding the views of my Hon'ble friend Mr. Sri Ram and myself. I do not think the reference to Japan was quite a tactful thing. For Japan's destinies are guided by her own sons, whose one thought and aspiration is the greater glory of their country, and who further by every means in their power the moral and material advancement of their people. Is the Hon'ble Member prepared to adopt Japan as a model for all branches of the country's administration? If so, let him induce his colleagues in the Government to treat the people of India as the Japanese Government treats the people of Japan in matters of education, of industrial development, of military and naval service, of appointment to high and responsible office, and I, on my part, humble as I am, undertake to see that no Indian publicist raises any objection to such military expenditure as the Hon'ble Member thinks it necessary to incur. My Lord, on technical aspects of military questions, the opinion of laymen is of course of but little value. But as the *Englishman* pointed out the other day:—

There is a stage when considerations of military defence emerge out of the plane which has always been tacitly reserved for professional soldiers. . . . The larger problems involving the expenditure of large sums of money and the dispositions of troops in relation to possible enemies are clearly not to be decided on the fiat of military men. These matters affect the State as a whole, and, as such, must be looked at from the civil as well as the military point of view.

Our military expenditure has nearly doubled itself during the last twenty years, having risen from 17·9 crores in 1884–85 to 32·6 crores in 1905–06. It now exceeds the entire land-revenue of the country and no one can say where it will stop, or if it will stop any where at all. It is now said that India is the strategic frontier of the British Empire. If so, the defence of such frontiers is clearly an Imperial responsibility, and India ought to be relieved of part of her present military burdens. For the last twenty years, the fears of a Russian invasion have dominated the situation and dictated the scale of our military expenditure. Russia now lies prostrate and bleeding—her prestige shattered beyond hope, and a standing menace to the peace of Asia gone. May we not now hope for a little respite in

this piling up of ceaseless military burdens on our shoulders? The limits of military expenditure were thus laid down by Lord Mayo's Government in 1871 :—

We cannot, they wrote, think that it is right to compel the people of this country to contribute one farthing more to military expenditure than the safety and defence of the country absolutely demand.

The Army Commission of 1879 thus defined the functions of the Indian Army :—

The purposes for which the Army of India must be maintained may be stated to be—(a) preventing and repelling attacks or threatened aggressions from foreign enemies beyond our border; (b) making successful armed disturbance or rebellion, whether in British India or in Feudatory States, impossible; and (c) watching and over-awing the armies of feudatory Native States.

This conception of India's position and responsibilities, however, is no longer thought to be sufficient. Thus last year the Hon'ble Sir Edmond Elles, after asking the question :

Are we to be content to hide ourselves behind our mountain barriers under the foolish impression that we should be safe, whilst the absorption of Asiatic Kingdoms is steadily in progress?

observed as follows :—

It is, I think, undoubted that the Indian Army in the future must be a main factor in the maintenance of the balance of power in Asia ; it is impossible to regard it any longer as a local militia for purely local defence and maintenance of order.

And Your Lordship, referring to the same point, said :—

I spoke last year about the increasing range of our responsibilities in Asia; and a good deal has happened in the interim to point those remarks. My own view of India's position is this: She is like a fortress with the vast moat of the sea on two of her faces and with mountains for her walls on the remainder. But beyond those walls, which are sometimes of by no means insuperable height and admit of being easily penetrated, extends glacias of varying breadth and dimensions. We do not want to occupy it, but we also cannot afford to see it occupied by our foes. We are quite content to let it remain in the hands of our allies and friends ; but, if rival and unfriendly influences creep up to it and lodge themselves right under our walls, we are compelled to intervene because

a danger would thereby grow up that might one day menace our security. This is the secret of the whole position in Arabia, Persia, Afghanistan, Tibet, and as far eastwards as Siam. . . . And the whole of our policy during the past five years has been directed towards maintaining our predominant influence and to preventing the expansion of hostile agencies on this area which I have described.

This new and Imperial definition of India's position and responsibilities is bound to stagger the people of this country, for it means that India's resources are to be unhesitatingly used for engaging in a race with European Powers to absorb Asiatic Kingdoms ! Now, apart from the ethics of such absorption, I submit that, if England's dominion in the East must be thus extended in all directions on the mere suspicion that a rival is creeping up towards the frontiers of India, the Imperial Government in England and not the poor people of India ought to find the money for the purpose. The maintenance of the balance of power in Asia is a matter of Imperial concern ; and for the Government of India to accept that responsibility is to impose upon this country a military duty and a financial obligation to which she is utterly unequal and which, moreover, it is unjust to throw on her.

My Lord, I have complained above of the system of finance that has been maintained in this country for the last seven years. That complaint, however, must not be understood to apply to the present Financial Statement, which indeed has to a large extent broken from the old tradition and taken an important step forward in the right direction. With the single exception of the provision made out of current revenues for Army reorganisation, the budgetary dispositions appear to me to be both liberal and statesmanlike. Further, speaking for Bombay, I gladly acknowledge the liberal character of the new Provincial Settlement. I rejoice also that the Hon'ble Member has put an end to the era of systematic under-estimating of revenue and over-estimating of expenditure. More than once had I complained of this practice in this Council as unfairly prejudicing the chances of the tax-payer in the matter of remission of taxation. Last year, for instance, I had said :—

In the twelve years of storm and stress (*i.e.*, from 1885-1896) it was perhaps necessary for the Finance Minister to act on the safe, if somewhat over-cautious, plan of under-estimating the revenue and over-estimating the expenditure. But though the difficulties of the position have passed away, the tradition, once established, still holds the field.

And this only drew on me a sharp remonstrance from Sir Edward Law. It was, therefore, with a certain amount of legitimate satisfaction that I found the Hon'ble Member virtually admitting the correctness of my contention and admitting it very nearly in my own words :

So long, as all growth of revenue and the fruits of all retrenchment were liable to be swallowed up by a fall in exchange, it was common prudence to frame the estimates in the most cautious manner, and to take no credit for developments of revenues until they were absolutely assured. When this factor was eliminated, the traditions of excessive caution remained and due allowance was not always made in the estimates for the normal expansion of the growing heads of revenue.

My Lord, the financial position of the Government now is one of exceptional strength. Taking the Budget Estimates for next year, we find that after providing 3 crores 66 lakhs for an extraordinary charge, which ought to be met out of borrowings, we still have a surplus of 1 crore 36 lakhs. This means an excess of 5 crores of revenue over expenditure. Then the profits from coinage have averaged about  $2\frac{1}{2}$  crores a year during the last five years and they are bound to increase as trade expands. These profits will be available for general purposes in a year or so, as the Gold Reserve Fund already stands at  $8\frac{1}{2}$  millions sterling, and as Your Lordship stated last year, when it reaches 10 millions sterling, it 'will be sufficient for our purpose and will give us a permanent guarantee for stability of exchange.' Then Railway finance has entered on a new phase. After causing a net loss year after year for half a century—from 1849—aggregating in all to sixty crores of rupees, our system of Railways has now commenced to bring in a profit to the State, and there is every reason to believe that this profit will steadily increase. The revenue under Excise and Customs is also showing a large and continuous increase. Leaving all growth of revenue under Railways, as also under Excise,

Customs and other principal heads, to meet the growing requirements of public expenditure, we still have a margin of about  $7\frac{1}{2}$  crores a year to devote to purposes intimately connected with the moral and material well-being of the people. And if only military expenditure is prevented from absorbing everything, and a comprehensive and statesmanlike view taken of the duties of the State and of the exceptional opportunities which the present position of the finances affords to Government, a vast deal could be done to improve the condition of the people and thereby also deepen, broaden and strengthen the true foundations of British rule in this land. There is, for instance, the separation of Judicial and Executive functions to be effected—a reform demanded by eminent Anglo-Indians as well as Indians, which Lord Dufferin described as a counsel of perfection and which, he said, could not then be carried out for want of funds. Well, the Government now have funds to carry out the reform many times over, and I respectfully submit it ought to be no longer delayed, as the sense of oppression and discontent to which it gives rise is infinitely more serious than any administrative convenience which may result from it. Then there is the extension of education in all its branches—a matter of the greatest importance to the country's progress. But it is not of these that I desire to speak to-day. The subject that I wish most earnestly to urge upon the attention of the Government is the condition of the agriculturist. My Lord, the Indian agricultural producer is terribly handicapped, and his position is getting harder every day. In the first place, nowhere is the burden of taxes on the land in relation to produce so heavy as in this country, as may be seen from the following figures taken from Mulhall's Dictionary :—

Country.	Percentage of taxes in relation to gross produce.			
United Kingdom	...	...	...	8·3
France	...	...	...	4·8
Germany	...	...	...	3·0
Austria Proper...	...	...	...	4·9
Italy	...	...	...	7·0
Belgium	...	...	...	2·8
Holland	...	...	...	2·8

These taxes on land include stamp-duties and local rates and, in France, road-cesses. In India, leaving out of calculation Provincial rates and stamp-duties and confining ourselves to land-revenue only, what do we find? Taking the figures set forth in the Government Resolution of 1902, which cannot be suspected of being unduly unfavourable to Government, we find that, in *Madras*, the assessment is from 20 per cent., in the Godavari District, to 8 per cent. in Anantapur, of the gross produce, and in most districts it averages over 15 per cent. In *Bombay* the assessment in Gujarat is 20 per cent., and even in the dry and dreary Dekhan, considering the uncertainty of the seasons, it is in no way lighter. In the *United Provinces of Agra and Oudh*, it is one-seventh or one-eighth of the gross produce, *i.e.*, from 12 to 14 per cent. Thus, while elsewhere the total burden on land is well below ten per cent., with us, taking the land-revenue alone, we see that the assessment over most areas is about 15 per cent. and in some portions as high as 20 per cent. of the gross produce—and this according to official estimates. Secondly, everywhere in India, and particularly in the temporarily-settled districts, the utter resourcelessness of the agricultural classes is the most distressing fact of the situation. The cultivator has no capital and has but little credit and is simply unable to make proper use of Nature's wealth that lies at his door, with the result that his cultivation is of the rudest and most exhausting type. The yield of the soil has been steadily diminishing, except in irrigated tracts, being simply 8 to 9 bushels an acre, about the lowest yield in the world. Thirdly, the currency legislation of Government has hit the raiyat very hard, depreciating at once the value of his small savings in silver and increasing steadily, as prices are adjusting themselves to the new rupee, the burden of his assessment and his debts. Fourthly, a succession of bad seasons during the last fifteen years has borne him down with crushing pressure, the McDonnell Commission observing that the past decade in most parts of India has been 'a decade of misfortune and distress.' Lastly, there is his terrible indebtedness, which is admitted by everybody, and which, there is reason to fear, is steadily on the increase.



In such a situation the struggling raiyat toiling ceaselessly without heart and without hope needs every assistance and relief that can possibly be brought to him. But the operations of the Settlement Department are going on apace, and everywhere a fresh revision means a fresh enhancement of the Government demand. Taking Madras, Bombay, Central Provinces, and the United Provinces of Agra and Oudh, together, we find that during the last ten years the land-revenue collections have risen from 14·4 crores in 1893-94 to 15·4 crores in 1903-04—an increase of fully one crore in ten years! And yet all these provinces have suffered during the period from a succession of calamitous seasons. My Lord, the fearful poverty and indebtedness of the agriculturist calls for a great and comprehensive scheme of ameliorative action, and no mere palliatives will be of much avail. A general reduction of the State demand in the temporarily-settled provinces as suggested by Mr. O'Connor, the grant of Permanent Settlement to those provinces together with a bold scheme for the composition of the raiyat's liabilities—nothing less than these measures will really save him from utter and hopeless ruin. The present financial position, with an assured excess of at least  $7\frac{1}{2}$  crores of revenue over expenditure, gives Government a great opportunity, which, if allowed to slip now, may never present itself again. A reduction of 20 per cent. in the State demand in the provinces of Madras, Bombay, Central Provinces, and United Provinces will not cost more than 3 crores a year and the amount sacrificed will return to the State tenfold in the increased prosperity and contentment of the people. And a great scheme of composition of debts, similar to the one for buying out the landlords in the Irish Land Purchase Act of last year—when the Imperial Treasury undertook to advance a hundred millions sterling for the purpose—will mean the making of the raiyat again and is the only way in which the problem of agricultural indebtedness can be successfully grappled with.

Another subject which I wish earnestly to bring to the attention of Government is the condition of Municipal bodies in those parts of the country which have

suffered severely from successive visitations of the plague. The finances of some of these bodies have been so completely disorganised that it is with difficulty that they are able to perform their most elementary duties. They still owe large sums to Government for plague loans, though the greater part of these loans have been already remitted by Government, and unless Government come forward again to help them out of their embarrassments, their available margin of income over expenditure must be devoted to the paying off of these debts for several years to come. I have the honour to preside over one of the largest Municipalities in the Bombay Presidency—the Corporation of Poona—a body which has suffered as much as any other from this terrible scourge; and I know from personal experience how we are simply powerless at present to undertake any large works of improvement and what a struggle we have to make merely to keep things going. Our plague debt to-day is about  $2\frac{1}{2}$  lakhs of rupees—a sum nearly equal to our annual income—and it will take something like fifteen years to clear it off, which means that for fifteen years our small margin of income over expenditure will not be available to us for any other purpose. From a return very courteously supplied to me by the Finance Member, I find that the amount which the mofussil Municipalities in the Bombay Presidency still owe to Government is about 17 lakhs of rupees. This is over and above 22 lakhs which the Government have already remitted. Moreover, the Municipalities have met out of their own revenues a plague expenditure of about 16 lakhs. It is only fair to mention that for these plague loans the Municipalities are only technically responsible. They represent the excess expenditure incurred by Government in the name of Municipal Bodies in the early years of the plague, when all kinds of drastic measures were adopted to stamp out the disease and Municipal money was spent by plague officers appointed by Government with the most reckless profusion. Now this sum of 17 lakhs, which the Municipalities still owe to Government, is really the merest nothing to the Government, with their crores and crores of surplus revenues; but to these Municipal Bodies it means all the available margin of income over expenditure—

I therefore earnestly suggest that these plague loans should be written off by Government so as to leave Municipalities free to devote their slender resources to urgently needed undertakings. I am willing that in writing off these loans a condition should be imposed on the Municipalities that the amounts written off by Government should be devoted to works of permanent utility. I am sure, my Lord, if only the Finance Minister will adequately realise the extent of our difficulties—difficulties which contrast most painfully with the prosperous condition of the Government of India's Treasury—he will at once recognise the absolute necessity of coming to our relief. In Poona, for instance, we have the plague from four to six months every year. During these months we suffer a heavy loss in octroi and other revenue, and while our receipts thus suffer our expenditure increases because, in addition to our ordinary establishment, we have to maintain a special establishment to deal with the outbreak of plague. My Hon'ble friend Mr. Younghusband, who is Commissioner of the Division to which Poona belongs, and who has always been a most sincere friend of local bodies, will, I am confident, endorse every word of what I have said if he is called upon to express an opinion on this subject. But writing off plague loans is not all the assistance that I ask for our Municipalities at the hands of the Government. I want the Government to go further—much further—and recognise the obligation to make substantial grants in aid of the funds of these bodies for works of permanent improvement, such as drainage and water-supply. My Lord, the persistence with which the plague has been lingering in our midst has drawn pointed attention to the questions of faulty drainage and defective water-supply, and it is recognised that real improvement in the health conditions of the people is impossible, unless these matters are taken seriously in hand. Now it is a Western plan which leaves such works to be executed by local bodies out of their own resources. And though it may work well in Western countries owing to the wealth of their towns, it is utterly unsuited to India, where the unaided resources of local bodies are altogether inadequate for such costly undertakings. Moreover, in view of the

frightful mortality caused by the visitations of plague and the generally high death-rate of Indian towns, it is a clear obligation resting on Government, especially when they have funds necessary for the purpose, to do all that lies in their power to promote the interests of public health, and from this obligation they are not absolved simply because they have handed over certain duties and certain resources to certain Boards. Further, these Boards are not independent bodies. They are subject to a large measure of Government control and they include a considerable proportion of Government nominees. It is only fair therefore that the Government should assist them financially in carrying out projects which are beyond their unaided capacity to undertake. Government give a grant to these Boards in aid of education, and there is no reason why public health should not be placed on the same footing as education. I would therefore suggest that about a million sterling a year should be devoted to assisting Municipal Bodies with grants for drainage and water-works. I understand that such grants are not unknown in individual instances in Madras and some other Provinces. I think, however, that the construction of such works will be greatly encouraged by the Government adopting an attitude of liberality as a general policy in this respect. The needs of public health require such assistance from Government and financially they are in a position to render it. The principle, moreover, has been accepted this year in the case of District Local Boards. I earnestly trust, therefore, that the suggestion which I have ventured to make will receive favourable consideration at the hands of Government.

My Lord, I have already detained the Council at considerable length, but there is one subject more about which I would like to say a word before I conclude. This time last year, Your Lordship dealt at some length with the question of the wider employment of Indians in the public service, and, shortly after that, a lengthy Resolution was issued by the Government of India on the same subject, reiterating the arguments and conclusions of Your Excellency's speech. Your Lordship, after analysing

the situation, came to the conclusion that not only were the people of this country not justified in complaining of exclusion from high office, but that they were being treated with 'a liberality unexampled in the history of the world.' The Government Resolution of May 24th, 1904, expressed the same opinion in the following words :—

There has been a progressive increase in the employment of natives and a progressive decline in the employment of Europeans, showing how honestly and faithfully the British Government has fulfilled its pledges and how untrue is the charge which is so often heard of a ban of exclusion against the natives of the country.

In spite of both the speech and the Resolution, however, the public mind remains unconvinced, and certain propositions in the Resolution have even created the unfortunate impression that it is no longer the intention of Government to adhere faithfully to the lines of policy laid down in the matter in the Parliamentary Statute of 1833 and the Proclamation of the Queen-Empress in 1858. The Statute and the Proclamation have respectively pledged the word of the British Parliament and the British Sovereign to the people of India that all offices in the country shall be equally open to all without distinction of race, colour, or creed. The Statute was further interpreted by the Court of Directors as laying down that there was to be no governing caste in India, and that whatever tests of fitness were prescribed, considerations of race or creed were not to be of the number. The Resolution of last year, however, lays down two principles, as governing the situation, which, in the form in which they are stated, are certainly inconsistent with the pledges given in the Statute of 1833 and the Proclamation of 1858. The Resolution says :—

The general principles which regulate the situation are two in number. The first is that the highest ranks of civil employment in India—those in the Imperial Civil Service, the members of which are entrusted with the responsible task of carrying on the general administration of the country—though open to such Indians as proceed to England and pass the requisite tests, must nevertheless, as a general rule, be held by Englishmen for the reason that they possess partly by heredity, partly by upbringing, and partly by education, knowledge

of the principles of Government, the habits of mind, and the vigour of character, which are essential for the task, and that the rule of India being a British rule and any other rule in the circumstances of the case being impossible, the tone and standard should be set by those who have created and are responsible for it. The second principle is that outside this *Corps d'élite* the Government shall, as far as possible, and as the improving standards of education and morals permit, employ the inhabitants of the country, both because its general policy is to restrict rather than to extend European agency and because it is desirable to enlist the best native intelligence and character in the service of the State. This principle is qualified only by the fact that, in certain departments, where scientific or technical knowledge is required or where there is a call for the exercise of particular responsibility or for the possession of a high standard of physical endurance, it is necessary to maintain a strong admixture and sometimes even a great preponderance of the European element.

The Government of India thus lay down :

(1) That race, so far from being no disqualification, shall constitute in the case of all but a very few a conclusive disqualification for the higher offices of the State; (2) that this disqualification shall last as long as the British rule endures; (3) that in regard to other offices held at present by Europeans, they are so held because Indians qualified by education and morals are not either available, or where they are available, they are unfit for the exercise of 'particular responsibility.'

Now, my Lord, the equal treatment promised in regard to public employment by the Parliamentary Statute and the Queen's Proclamation may be nothing better than a legal fiction in practice, but it is a fiction which we have cherished as embodying an ideal for the future and representing the higher purpose of British rule in this land, and we cannot afford to see it so explicitly repudiated by the Government. Nothing to my mind is calculated to affect more disastrously the attitude of educated Indians—and their number is bound steadily to grow—towards British rule than a belief that under the rule their exclusion from the highest offices of the State is intended to be perpetual. As regards the question of education and morals being involved in our exclusion from most of the offices in the special departments, is it really intended to be conveyed that among the thousands and thousands of educated Indians who are ready to seek

employment under the State, even a few cannot be found possessing the necessary education and moral character or qualified to exercise the required degree of responsibility? I am sure the question has only to be presented in this form to make the injustice of it clear to everybody. Why, my Lord, it is a matter of common knowledge that, in the case of the smaller appointments at all events, it is not the Indian but the European or Eurasian competitor, whose education and morals it would really be desirable sometimes carefully to investigate. However, I do not wish to pursue this argument any further on this occasion. My object to-day is to point out how inaccurate and misleading is the conclusion which the Government of India Resolution has recorded on this subject and which I have already quoted above. The Resolution claims (1) that the pledges given have on the whole been honestly and faithfully carried out, and (2) that there has been a progressive increase in the Indian element and a progressive decline in the European element in the service of the State. Before proceeding to show how unsupported by facts this twofold claim is, I must, in the first place, point out that in the statistical tables which accompany the Resolution the real issue has been obscured by the inclusion therein of posts as low as Rs. 75 a month. When we complain of our exclusion from high office, we do not refer to the lower grades of the Public Service—grades which carry salaries as low as Rs. 75 or 100 or even 200 rupees a month—though in some of the special departments, we are virtually shut out even from such petty appointments. When we make the complaint about exclusion, we refer to offices of trust and responsibility—say above Rs. 500 a month. I have compiled tables for the years 1897 and 1903 from the statistics published by the Government of India to show how we stand in regard to these appointments, and it will be seen from that the twofold claim of the Government of India already referred to is wholly untenable. I do not propose to read out these tables. They will appear as an appendix\* to my speech in the report of these proceedings. It will

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\* *Vide* Appendix C.

be seen from them that they effectively dispose of the contention that we have so far been treated with unexampled liberality. They also show that most of the new posts, created between 1897 and 1903, have gone to either Europeans or Eurasians, which element certainly shows no signs of declining, the Indian element even losing ground in some of the departments.

My Lord, this question of appointment to high office is to us something more than a mere question of careers. When all positions of power and of official trust and responsibility are the virtual monopoly of a class, those who are outside that class are constantly weighed down with a sense of their own inferior position, and the tallest of them have no option but to bend in order that the exigencies of the situation may be satisfied. Such a state of things, as a temporary arrangement, may be accepted as inevitable. As a permanent arrangement, it is impossible. This question thus is to us a question of national prestige and self-respect, and we feel that our future growth is bound up with a proper solution of it. My Lord, Your Lordship said on one occasion that to your mind efficiency of administration was synonymous with the contentment of the people. There is no question, of course, of the supreme importance of a high degree of efficiency in a country's Government. There is also no doubt that in this respect the present Administration has been the most strenuous and the most successful of any that the country has had for many years. But may I venture respectfully to point out that Your Lordship's proposition leaves out of account the special circumstances of India, that efficiency, though an object of paramount importance with us as elsewhere, is not the sole purpose of British rule in this land, and that for the contentment of the people to be real and enduring, something more is indispensable than mere efficiency, however high it may be? A succession of great statesmen, who in their day represented the highest thought and feeling of England, have declared that, in their opinion, England's greatest work in India is to associate the people of this country, slowly it may be, but steadily, with the work of their own



Government. To the extent to which this work is accomplished, will England's claim to our gratitude and attachment be real. If, on the other hand, this purpose is ever lost sight of or repudiated, much good work, which has been already done, will be destroyed, and a position created, which must fill all true well-wishers of both England and India with a feeling of deep anxiety.

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## BUDGET SPEECH, 1906.

*[At a meeting of the Imperial Legislative Council, held on Wednesday the 28th March 1906, His Excellency Lord Minto presiding, the Hon'ble Mr. G. K. Gokhale made the following speech on the Financial Statement for 1906-07 presented by the Hon'ble Mr. E. N. Baker :—]*

My Lord, for the second time, the Hon'ble Mr. Baker has laid before the Council a budget, which judged by the limits within which he was free to move, is an interesting and satisfactory statement, and which for lucidity of exposition will take high rank among the Financial Statements of the Government of India. I am particularly pleased to read what the Hon'ble Member writes about the effect of the recent reductions of salt duty on the consumption of that article. Time was, not so long ago, when it was the fashion, both in this Council and outside, to regard the burden imposed on the masses by a high salt duty as after all only a light one, and to deny that its rate could seriously affect consumption. If ever the Government of India finds itself driven to enhance the duty again, I hope the Finance Member of the future will remember the eloquent testimony of my Hon'ble friend on the results of recent reductions, and no one will again venture to contest the proposition that, in dealing with a prime necessary of life such as salt, the only right policy is to raise an expanding revenue on an expanding consumption under a diminishing scale of taxation. Even at present, the level of the duty—about 1,600 per cent. of the cost price—is much too high, and I earnestly trust that the Hon'ble Member will have, as I have no doubt he will be glad to have, another opportunity during his tenure of office as Finance Minister to effect a further reduction, thereby making the duty throughout India at least uniform with what it is in Burma, namely, Re. 1 a maund. The consumption in India, which was under 10 lbs. per head before these reductions, has now risen to about 11 lbs., but

it is still far below the level of Burma, where it is about 17 lbs. per head. My Lord, the abolition of certain cesses on land and the discontinuance of certain appropriations from the funds of District and Local Boards for Provincial purposes will be greatly appreciated in the Provinces concerned, and I regard with sincere satisfaction the policy which underlies these measures. My only regret is that Bombay does not participate in the benefit of the relief accorded, and, if it is not yet too late, I would like to suggest one or two directions in which the Hon'ble Member could usefully come to our assistance on the same principle on which he has given the present relief to the other provinces. One is as regards the loss which our Local Boards have to bear as a result of the suspensions and remissions of land-revenue granted by Government. The principal part of the income of these Boards is derived from the one-anna cess on land; so when the Government, owing to the prevalence of famine, suspends or remits a part of the land-revenue, the one-anna cess that is paid with such revenue is also automatically suspended or remitted. The Government anticipates that the amount suspended or remitted this year owing to the present famine will be about 50 lakhs of rupees. This means that the Local Boards will lose a little above 3 lakhs of their revenue during the year. The proceeds of the one-anna cess for the whole Presidency are under 30 lakhs, and to lose 3 lakhs out of 30 lakhs, is a serious matter. Moreover, the loss is not spread over the whole Presidency, but has to be borne only by the districts affected, which means that in those districts the Boards will not have enough money even for their barest wants. I suggest, therefore, that the grant this year to the Boards from the Provincial revenues should be increased by 3 lakhs, or by whatever may be the amount of the one-anna cess suspended or remitted with the land-revenue, the Provincial Government receiving, if necessary, compensation from the Government of India for the purpose. I understand that this is the practice that is followed in the Punjab, where, as a result, the Boards receive their full amount intact, whatever suspensions or remissions the Provincial Government may grant to the agriculturists; and I only ask that our

Boards may be treated with the same consideration. Another direction in which the Hon'ble Member could come to the rescue of these Boards is by relieving them of all responsibility for famine relief, which the Famine Code imposes upon them. Under the Code, the duty of relieving famine distress is first cast on the resources of the Local Boards and then on those of the Provincial and Supreme Governments. Now the means at the disposal of the Boards, even for the objects for which they have been brought into existence, viz., education, sanitation and medical relief, and roads, are woefully inadequate, and to throw on them in addition so heavy and unjustifiable a burden as famine relief is to take away from them practically all power of doing useful work. For the last ten years and more, we have had on our side an almost unbroken succession of unfavourable seasons, with no less than four famines, and the embarrassments of local bodies have been further aggravated by plague and the cost of plague measures; as a result, over the greater part of the Presidency, our Boards have been reduced to a position not far removed from bankruptcy. The relief I ask for, though small, will therefore not fail to prove useful in their present circumstances, and I earnestly trust that the Hon'ble Member, who has already given abundant evidence of his sympathy with Local Bodies in their struggles, will realise the justice and necessity of granting it.

Before I proceed to deal with the larger questions on which I wish to offer a few observations to-day, I would like to make two suggestions, and address one inquiry to the Hon'ble Member. My first suggestion is that in the general statements of revenue and expenditure, given in Appendix I, the figures under Railways and Irrigation (productive works) should be given net. In the Budget for the coming year, the receipts under these heads have been estimated at about 29½ millions and the charges at about 27 millions. The net receipts to the State, therefore, under the two heads amount to only about 2½ millions, and I submit that it would give us a much more correct idea of the true revenue and expenditure of the country, if only this sum of 2½ millions were entered on

the revenue side in the general statements, and a separate statement appended showing the gross receipts and charges under the two heads, instead of two such huge figures as 29½ millions and 27 millions being entered on the two sides of the account. The outlay on Railways and Irrigation is, on a commercial basis, out of borrowed capital, and the receipts, are bound to go up as the capital outlay increases. As a matter of fact, they have been going up of late years owing to increased capital expenditure and other causes by leaps and bounds, having nearly doubled themselves in ten years, standing to-day at 29½ millions against 15½ millions in 1896-97; but they make no real addition to the revenue of the country, except by that portion of them which represents the net profit earned by the State. In Japan, where they do things more scientifically than we, the course that is adopted as regards State Railways is the one I have suggested, and only the profits on the undertakings appear on the revenue side in the Financial Statement. Our present practice has been responsible for many curious misapprehensions of the financial position, and it has misled even those who should know better. Thus two years ago, the Military Member of the Government of India—Sir Edmond Elles—advanced in this Council the obviously untenable proposition that, though the military expenditure of the country had in recent years been growing, its growth, proportionately speaking, was less than that of our revenue; and he proceeded gravely to establish his contention by treating these rapidly increasing gross receipts under Railways and Irrigation as part of the revenue at the disposal of the State. And when I drew his attention to this error, he simply would not budge an inch, and contented himself merely with the remark that he did not know why he should not take the figures as he found them! My second suggestion is that the income and expenditure of Local Boards, included under the head of Provincial Rates, should be separated from the accounts of the Government of India. It is a small matter—only about 2 millions a year—but it gives rise to much confusion. Take, for instance, education. A reference to Statement B will give one the idea that

the Government expenditure on education was nearly 2 millions sterling, when in reality it is only about a million; the rest is Local Boards' expenditure merely included in Government accounts. It is true that the heading, 'Provincial and Local,' is there to prevent a misconception: but that in itself is again misleading, as the term, Local ordinarily includes Municipal also, whereas, in the accounts of the Government of India, the income and expenditure of only Local Boards, and not of Municipalities, are included. I trust the Hon'ble Member will be able to effect this simple but necessary reform. If the suggestions I have made are accepted, our real revenue will be seen to be about 58 millions instead of 87 millions, as the Statements in Appendix I lead one to imagine. The inquiry I want to make is about the Gold Reserve Fund and the profits from Coinage. It was stated by Lord Curzon two years ago that the Gold Reserve Fund was to accumulate till it rose to 10 millions sterling, which amount, he declared, 'will be sufficient for our purpose and will give us a permanent guarantee for stability of exchange.' This limit has been already passed and the Fund to-day stands at over 12 millions sterling, and I think the Hon'ble Member owes it to the country to say what he proposes to do with the profits from Coinage in future years. The fund is to accumulate at compound interest, and may therefore be left where it is. And the profits—about 2 millions a year on an average of six years—may henceforth be used to provide money for loans to agriculturists in a comprehensive scheme for the relief of agricultural indebtedness. They will thus yield a better interest than when they are invested in consols; such a course will also enable the Government to make some reparation to those classes which have been hit the hardest by its currency legislation. Even if they were devoted to productive public works, reducing by a corresponding amount the annual borrowings of the State, that will be better than the present plan of investing in consols. The justification of a policy, which invests its own money in  $2\frac{1}{2}$  per cent., and borrows at the same time for its purposes at  $3\frac{1}{2}$ , is not quite obvious.

My Lord, our financial administration is bound up with questions of policy of the highest importance affecting the Government of the country, and unless that policy undergoes a radical change, our revenues will not be administered in a manner which will best promote the true well-being of the people. Of such questions, the most dominant, as it is the most difficult and delicate, is the question of the Army. My Lord, I fear that a protest in this country against the military policy of the Government and the ceaseless and alarming growth of our military burdens is almost like a cry in the wilderness, but the protest has to be made on every occasion that presents itself, as our most vital interests are involved in a proper solution of this question. Moreover, if ever there was a juncture when our voice in this respect should be heard by the authorities, that juncture is now. A profound change has taken place in the general position of Asiatic politics. The triumph of Japan in the late war has ensured peace in Middle and East Asia. The tide of European aggression in China has been rolled back for good. The power of Russia has been broken; her prestige in Asia is gone; she has on her hands troubles more than enough of her own to think of troubling others for years to come; and thus a cloud that was thought to hang for twenty years and more over our North-Western frontier has passed away, and, humanly speaking, is not likely to return at any rate during the time of the present generation. The Anglo-Japanese alliance, concluded without considering how it would be regarded by the people of this country, is a further guarantee of peace in Asia, if such an alliance has any meaning. Surely, my Lord, this is the time when the people of this country have a right to look for a substantial relief from the intolerable burden of an excessively heavy military expenditure which they have had to bear for so many years past. And the first step in the direction of such relief is to suspend the execution of the Reorganisation Scheme drawn up by His Excellency the Commander-in-Chief and estimated to cost more than 10 millions sterling. This scheme was projected in the early stages of the Russo-Japanese War, and was sanctioned in November 1903, when the issue of the struggle was not only uncertain

but the odds seemed to be against Japan, and when apprehensions were entertained of hostile movements of Russian troops in the direction of Cabul. Now, however, that the situation has undergone a complete change and the North-Western frontier, our one danger-zone, has for the time ceased to be a danger-zone, there is no justification for proceeding with a costly scheme, devised to ensure a concentration of the entire armed strength of the country on that frontier at the shortest notice. The millions, again, do not represent the whole cost of the scheme. There is to be in addition a permanent burden on its account; how much it will be we have not yet been told, but the Hon'ble Mr. Baker warned the Council last year that it would be considerable. This recurring charge is to appear on the scene after five years, during which period 2 millions a year are to be spent out of current revenues to carry out the scheme. My Lord, I respectfully protest against the execution of such a scheme at such a time, as involving an expenditure of money and effort wholly beyond our capacity and not called for or justified by the requirements of the situation. The Secretary of State for India stated in Parliament the other day in reply to a question that the matter was being further considered. I earnestly trust that his decision will be to hang up the scheme; at any rate till a more disquieting situation than the present arises on the North-Western frontier. Should the Government, however, unfortunately make up its mind to ignore recent events and proceed with the scheme, I would most strongly urge that the money required for the initial outlay should be found out of loan funds. My Lord, during the last eight years, the Government has spent its surpluses, amounting to about 35 crores of rupees, on railways, in addition to borrowed capital. Now such expenditure of current revenues as capital outlay on productive works appears in the accounts as an addition to our productive debt (which represents the capital expended on productive works), and this necessitates a reduction by a corresponding amount of the unproductive debt of the country. Last year, when I made this simple statement in connection with my plea that the cost of the Army



Reorganisation Scheme should be met out of borrowing, the Hon'ble Member, to my surprise, denied the correctness of my proposition. He, no doubt, spoke under a misapprehension, and he evidently thought that my contention was that the total debt of the country, productive and unproductive taken together, had been reduced, when my whole argument was that, as our unproductive debt, which after all is the only real debt, had been reduced by the amount of current revenues spent as capital, the whole cost of the new Army Scheme could be met out of loan funds, and yet our unproductive debt would stand lower than where it was eight years ago. My Lord, it is most unjust to the tax-payers of this country that, while the surpluses that accumulate should be spent as capital, heavy non-recurring charges in connection with the Army should be thrown on current revenues, when every pie that can be spared from these revenues is urgently needed for the education of our children and for a hundred other objects of internal progress. The Hon'ble Member may say that till the surpluses are actually realised, no one can tell what they will be. But surely when they have been realised and when they have been so employed as to reduce the unproductive debt of the country, I think there is no excuse for avoiding borrowing, within the limits of such reduction, for meeting heavy non-recurring charges.

My Lord, I beg leave next to urge that the strength of the Army in India should now be reduced by at least those additions that were made in 1885 under the influence of the Penjdeh scare. The growth of the military expenditure in recent years has been simply appalling, as may be seen from the following figures :—

1884-1885	...	17.9 crores.	(Before the increases of 1885- were made.)
1888-1889	...	22.2 crores.	(After the increases had their full effect.)
1902-1903	...	28.2 crores.	
1906-1907 (Budget)	...	32.8 crores.	

Our military expenditure is now nearly double of what it was twenty years ago. Since 1888 it has risen by over

10½ crores a year, and this, notwithstanding the fact that the strength of the Army has not been increased by a single troop or company during the time. The increases made in 1885 were made in spite of the protest of two Members of the Government of India and in disregard of the view recorded by the Army Commission of 1879, that the then strength of the Army was sufficient both for internal peace, and to repel foreign invasion, not only if Russia acted singly, but even if Afghanistan joined her as an ally. And since that time the fear of Russian aggression has been the one dominating factor in all our military arrangements. With Russia now crippled, and the Anglo-Japanese alliance concluded, the last trace of any such fear should disappear from the mind of the Government, and the country should be relieved of the burden imposed upon it specially as a result of that fear. The increasing difficulty that has of late been experienced in England in the matter of recruitment, and in providing the annual drafts for India, with the resulting payment of bounties to short-service men here as an inducement to extend their service, also points to a reduction of the garrison in this country as a necessary measure of justice to the Indian tax-payer. Should the view, however, be upheld that such a reduction is not possible on the ground urged in this Council by Sir Edmond Elles, that the Indian Army 'is no longer a local militia for purely local defence and maintenance of order,' and that it 'must in the future be a main factor in the maintenance of the balance of power in Asia,' I submit that the Imperial Government ought in justice to bear a part of the cost of an army maintained for such a purpose. My Lord, our military expenditure has now grown to such proportions that it overshadows the whole field of Indian finance, and under its chilling shade no healthy development is possible for the people. And unless the axe is resolutely applied to its overgrown portions, our life will continue to exhibit the same signs of sickness that at present unhappily mark its growth.

But the appalling increase in the weight of military burdens is not our only grievance in connection with the Army. The whole system of Indian defence, founded as it is on a policy of distrust, rests on an unnatural basis,

and one notes with regret that the position is growing worse every day. Whole populations are now excluded from the Army. The abolition of the Madras Command under the new scheme involves the disestablishment of that Presidency as a recruiting ground, and amounts to a denial to the people of Southern India of all opportunity of service even in the ranks. Recruitment is being confined more and more to frontier or trans-frontier men, to the people of non-Indian or extra-Indian areas, with the result that the Army is approximating more and more completely to a mere mercenary force. The Arms Act is being worked with increasing rigour, and licenses to carry arms are now issued more sparingly than at any time before. I believe there are not more than thirty to forty thousand such licenses at the present moment in all India. A large increase has been made in the number of British officers, attached to the Native Army, so as to give all Punjab regiments an establishment of 13 British officers, and all other regiments, of 12. This increase completely ousts the Native officers from even such positions of trust as were open to them before, and not even the command of troops and companies is now really left to them. We have been asking for years that the commissioned ranks in the Indian Army may be thrown open to aspiring and qualified Indians, scions of aristocratic families and others, and the reply of the Government is a stiffer closing of such careers to us. It is true that four members of the Cadet Corps were granted commissions last year, and the language used by the late Viceroy more than once in speaking of the Corps had raised the expectation that these young men would be allowed the same opportunities of attaining to positions of command in the Indian Army as British officers. The reply given by the Commander-in-Chief to my question on this subject last week disposes of this expectation, and we see that Lord Curzon's promise in the matter, though kept to the ear, has been broken to the heart. In pre-Mutiny days we had two systems, the regular and the irregular. Under the regular there were 25 British officers to a Native regiment, where under the irregular there were only just 3 picked ones. The Army Commission of 1859 pronounced in favour of the

'irregular' arrangement; and after considerable discussion a compromise was eventually arrived at, and it was decided in 1863 that 7 British officers should be attached to each Native regiment—these to command squadrons and wings, while the Native officers were to have charge of troops and companies. The question was re-opened in Lord Mayo's time, and an increase of British officers was demanded; and the discussion again went on till 1875-76, when it was finally decided by Lord Salisbury (then Secretary of State for India) that the 7 officers system should be upheld, his Lordship laying stress on the point that the position of the Native officers should be improved and raised. And now the question having been brought up afresh, we find the decision going against us, and the number of British officers in Native regiments raised from 7 to 12 and 13! My Lord, such growing distrust of the people, after so many years of British rule, is to be deplored from every point of view, and not until a policy of greater trust is inaugurated, will the military problem, or indeed any other problem in India, be satisfactorily dealt with. I recognise the difficulty of the situation and the undoubted need that exists for caution in the matter. But after all it is only confidence that will beget confidence, and a courageous reliance on the people's loyalty will alone stimulate that loyalty to active exertion. As long as things continue as at present, the problem of Indian defence, do what you will, must remain essentially and practically unsolved. The experts, who accompanied the Russian and Japanese armies in the late War, have declared that the Indian Army will be found too small, if a great emergency really arises. This is bound to be so, as long as reliance is placed on standing battalions exclusively, with such reinforcements as England might be able to send in the hour of need. Everywhere else in the civilised world, the standing army is supported by a splendid system of reserves, and the nation is behind them all. Here alone there are no reserves worth speaking of to augment the fighting strength of the country in times of war, and the matter is treated as if it were no concern of the people. The late Viceroy quoted last year the achievements of Japan to justify the enormous growth in our military expenditure. Does any one however

believe that Japan's glorious achievements would have been possible, if the Government of that country had merely poured money like water on its standing battalions, unaugmented by reserves, and the magnificent spirit of every man, woman and child in that country had not been behind the Army to support it? Japan's ordinary budget for the Army is only about 37·3 millions yen, or a little under six crores of rupees. And for so small an expenditure, she has a standing army of 167 thousand men, with reserves which can raise it to over six hundred thousand men in times of war. We spend nearly six times as much money a year, and yet, in return for it, we have only an inexpansive force of about 230 thousand men, with about 25 thousand Native reservists and about 30 thousand European volunteers! Both on financial and on political grounds, therefore, our present unnational system of military defence is open to the gravest objection. My Lord, I respectfully submit that it is a cruel wrong to a whole people—one-fifth of the entire population of the world—to exclude them from all honourable participation in defence of their hearths and homes, to keep them permanently disarmed, and to subject them to a process of demartialization, such as has never before been witnessed in the history of the world. Lord George Hamilton once told an English audience that there were millions of men in India, who were as brave as any people on the face of the earth. Leaving such material, in the country itself, neglected, the Government has thought fit to enter into an alliance with a foreign Power—and that, an Asiatic Power, which once borrowed its religion from us and looked up to us—for the defence of India! Japan came under the influence of Western ideas only forty years ago, and yet already, under the fostering care of its Government, that nation has taken its place by the side of the proudest nations of the West. We have been under England's rule longer than forty years, and yet we continue to be mere hewers of wood and drawers of water in our own country, and of course we have no position anywhere else. My Lord, things cannot continue—they must not continue—much longer on so unsatisfactory a basis. Time and events will necessitate a change, and true statesmanship

lies in an intelligent anticipation of that charge. The present Prime Minister, speaking in November last on the subject of the Anglo-Japanese Alliance, observed as follows:—

I am enough of an Imperialist, if this be imperialism, to hold that the maintenance of the integrity of India is our affair and no one else's; and, if further measures of defence are necessary—of which I have no assurance—the appeal should be to the loyalty of the people of India, and to our own capacity for organising their defence. Is there not danger that the pride of the Indian people may be wounded, and the prestige of the Empire abased in the eyes of the world, by the provision by which Japan makes herself conjointly responsible for the defence of the Indian frontier?

My Lord, this is true and far-sighted statesmanship, and my countrymen ask for nothing more than that the military problem in India be dealt with in the spirit of this declaration of the Prime Minister. The measures needed are Short Service for the Indian Army, the creation of Indian Reserves, and the gradual extension—first to select classes of the community, and then, as confidence grows, to all, of the privilege of citizen-soldiership, so that they may be able, if the need ever arises, to bear arms in the defence of their own land. The Government may move as cautiously as may be necessary, but it is in this direction that it must move; and then the whole situation will be altered. Our military defence will then be gradually placed on a national basis, the Army will have the support of the nation behind it, the present military burden will be largely reduced, and funds set free to be devoted to other objects of national well-being; the people of the country, instead of being condemned as at present merely to pay the taxes and then helplessly look on, will be enabled to feel a real and living interest in their Army, and our position in the matter will cease to wound our self-respect. Now that all fear of any immediate aggression from outside has disappeared, a trial may be given to this policy, and I feel a profound conviction within me that England will have no cause to regret its result.

My Lord, I am free to confess that there is but little chance of any considerable change in the military policy of the Government of India being made in the

immediate future, and, if I have spoken at some length on the subject to-day, it is both because the character of our national existence is bound up with the question, and also because a special appeal for a reconsideration of the policy is justified at the present juncture. I have already said that the military expenditure overshadows the whole field of Indian finance, and it is a matter for further regret that even such slender resources as remain at the disposal of the Government of India after meeting the cost of the Army are not employed to the best advantage. My Lord, during the last eight years, the surpluses of the Government of India have amounted to no less a sum than 35 crores of rupees, and the whole of this money has been spent by the Government on Railways, in addition to the large amounts specially borrowed for the purpose! Now I do not wish to say anything against the construction of Railways as a commercial undertaking. Till recently they used to cost a net loss to the State every year, but that has now ceased; and there is no doubt that in future years they will bring a growing revenue to the Exchequer. To the construction of Railways on a commercial basis out of borrowed money I have therefore no objection, though even here the claims of irrigation to a larger share or the capital raised must be recognised better than they have been in the past. But I have the strongest possible objection to our *surpluses* being devoted to Railway construction, when they are urgently needed for so many other objects vitally affecting the interests of the masses. My Lord, I submit that there should be some sense of proportion in this matter. Already a sum of 250 millions sterling has been spent on Railways. For many years, it was the height of ambition of the Government of India to have in the country twenty thousand miles of Railways. The mileage open to traffic to-day is nearly twenty-nine thousand, and another two thousand is under construction. Are Railways everything, is mass education nothing, is improved sanitation nothing, that the Finance Minister should lay hands on every rupee that he can get either by borrowing or out of surpluses, and devote it to the construction of Railways

only? Replying to my observations on this subject last year, the Hon'ble Member said:—

When a surplus actually accrues either from a fortunate windfall, or from sources the continuance of which is not assured, then, I think, no more advantageous use for it can be found than to devote it to the construction of remunerative public works.

Now, with all deference, I beg to say that the Hon'ble Member's proposition is an unsound one. The course adopted by the Government would be right, if there was no need of non-recurring expenditure in other directions, more intimately connected with the well-being of the mass of the people. But, with such urgent needs of the country as decent school-houses for primary schools, works of sanitary improvement beyond the capacities of local bodies, and so forth, unsatisfied, I submit it is not a justifiable course to employ the proceeds of taxation for purposes of remunerative investment. That the surpluses are uncertain does not affect my contention at all. Whenever they are available, they may be devoted to the objects I have mentioned. When they are not available, the position cannot be worse than it is at present.

My Lord, the surpluses of the last few years—rendered possible by the artificial enhancement of the value of the rupee, and realised, first, by maintaining taxation at a higher level than was necessary in view of the appreciated rupee, and, secondly, by a systematic under-estimating of revenue and over-estimating of expenditure—have produced their inevitable effect on the expenditure of the country. With such a plethora of money in the Exchequer of the State, the level of expenditure was bound to be pushed up in all directions. Economy came to be a despised word, and increased establishments and revised scales of pay and pension for the European officials became the order of the day. Some remissions of taxation were no doubt tardily granted, but the evil of an uncontrolled growth of expenditure in all directions in the name of increased efficiency was not checked and the legacy must now remain with us. The saddest part of the whole thing is that, in spite of this superabundance of money in the



Exchequer and the resultant growth of administrative expenditure, the most pressing needs of the country in regard to the moral and material advancement of the people have continued for the most part unattended to, and no advantage of the financial position has been taken to inaugurate comprehensive schemes of State action for improving the condition of the masses. Such State action is, in my humble opinion, the first duty now resting on the Government of India, and it will need all the money—recurring or non-recurring—that the Hon'ble Member can find for it. My Lord, the three evils to be combated in connection with the raiyat's position are his fearful poverty, his ignorance, and his insanitary surroundings. And I hope your Lordship will bear with me while I indicate very briefly the lines on which action is really needed.

(1) First come a group of three measures in connection with the land. They must really go together, if a substantial improvement is the object in view. Of these the first is a reduction of the State demand on land, especially in Bombay, Madras, and the United Provinces, and a limitation of that demand all over India. There is ample evidence to show that over the greater part of India—especially in the older Provinces—the agricultural industry is in a state of deep depression. The exhaustion of the soil is fast proceeding, the cropping is becoming more and more inferior, and the crop-yield per acre, already the lowest in the world, is declining still further. And such a deterioration in agricultural conditions is accompanied by an increase in the land-revenue demand of the State! The raiyat staggers under the burden, but under the economic conditions prevailing, cannot help submitting to it. O'Connor, late Director-General of Statistics in India, speaking two years ago before the Society of Arts in London, and speaking with all his special knowledge of Indian agriculture, said :—

It is doubtful whether the efforts now being made to take the cultivator out of the hands of money-lenders will have much effect, or even, if they have the fullest effect, they will materially improve the cultivator's position until a larger share of the produce of the soil is left in his hands, and he is protected against enhanced rent by private landlord.

And again :—

I have little doubt that the reduction of the land-revenue by 25 or 30 per cent., if the reduction is secured to the profit of the cultivator, would be of far more value in the improvement of the class who constitute the bulk of the population, and who contribute most largely to the finances of the State.

The present system is having, and can have, but one effect. It tends to keep the one industry of the country in a hopelessly depressed condition, discouraging all expenditure of capital on land and rendering agricultural improvement an impossible hope. Whatever loss of revenue such a measure may cause directly to the State will be indirectly more than made up by a material improvement in the condition of the people.

(2) Next, a resolute attempt must be made to rescue the Indian agriculturist from the load of debt that at present overwhelms him. The problem is one of vast magnitude, and, probably, the conditions of the different Provinces will need different treatment. The best plan will be to take in hand an experiment on a sufficiently large scale over a selected area in each Province. Thus take the Deccan Districts in the Bombay Presidency. It is the opinion of competent authorities that quite one-third of our agriculturists, if not more, have already lost their lands, and they are remaining on them merely as the serfs of their money-lenders. Now I would take the cases of such men first, and I would appoint a special tribunal to go round and look into each case, going behind the bond where necessary, and I would have a composition effected, either by amicable arrangement, or by exercise of legal powers, with which the tribunal may be armed. I would place, say, a million sterling at the disposal of the tribunal, out of which advances should be made to clear the debt, to be recovered by adding about  $4\frac{1}{2}$  per cent. on them to the land-revenue demand of the State— $3\frac{1}{2}$  per cent. for interest and about 1 per cent. for repayment of capital, the repayment being spread over fifty years or so. Having helped to free the man in this manner, the Government may then fairly claim to impose restrictions on his powers of alienation. Of course, this is only

a bare outline, and the scheme will have to be worked out in detail and examined carefully before adoption. If the experiment shows signs of success, it can be extended to other parts. If it ends in failure, well, some money will be lost, but the risk has to be taken. When Lord Lansdowne was Viceroy of India, he was so impressed with this evil of agricultural indebtedness that he is understood to have left a minute behind, expressing his opinion that the condition of the agricultural community was a most serious danger to British rule, and pointing out the necessity for immediate action. It is now fourteen years since he left India, and yet the only attempt made by the Government to deal with the problem is represented by some legislation intended to restrict the raiyat's powers of borrowing! What may usefully be the last link of the chain has thus been made by the Government the sole link, with the result that the situation to-day is as grave as ever.

(3) But these two measures will fail to do any permanent good to the raiyat, unless they are accompanied by the third measure of the group, namely, the providing of facilities which, while encouraging thrift, will enable the agriculturist to borrow on occasions for his reasonable wants at a low rate of interest. The Co-operative Credit Societies, for which an Act was passed two years ago, will not go any long way in this direction. The communal spirit is now very weak over the greater part of India, and the unlimited liability principle, which the Act insists upon, will keep substantial men from these Societies, and any number of paupers brought together will have neither the cash nor the credit to help one another. If unlimited liability is removed and a portion of the Savings Banks deposits is made available to these Societies, they may do some useful work. But what the country really needs is the establishment of Agricultural Banks, like those which have been so successfully introduced into Egypt by Lord Cromer.

(4) Two other measures necessary for the promotion of agricultural prosperity in India, one of which has already received a good deal of attention at the hands of the Government, and the other has been recently taken up

by it, are Irrigation and Scientific Agriculture. About Irrigation I would only like to ask why it is necessary to have the selected projects carried out departmentally, and why their execution cannot be entrusted, as in Egypt, to expert contractors, who would find and train the required labour, the Government exercising supervisional control only? I think, in this matter too, the Government of India may well take a leaf out of the book of that great administrator Lord Cromer. If this were done, far more rapid progress would be made in the matter of Irrigation. As regards Scientific Agriculture, the country is watching with keen interest the steps which the Government is taking in the matter. I must, however, express one fear in this connection. If it is proposed to import European experts for the work as a standing arrangement, there will be small chance of any substantial good being done. The knowledge brought into the country by a succession of foreign experts, who retire to their own lands as soon as they have earned their pension, is like a cloud that hangs for a time overhead without descending in fertilizing showers, and then rolls away. Unless promising and carefully selected Indians are sent abroad to be trained and to take the places of the imported experts in due course, such expert knowledge will never become a part and parcel of the possession of the community. Of course, to begin with, a reliance on foreign experts is necessary, but care must be taken to make the arrangement only temporary.

(5) The promotion of industrial and technical education in the country is also an urgent necessity as a remedy for the extreme poverty of our people. This field has so far remained entirely neglected, with what results even the most superficial observer can see. The sum of  $2\frac{1}{2}$  lakhs of rupees, provided in this year's Budget, is as nothing compared with what is needed. The country requires at least one large, fully equipped Technological Institute at some central place, with Branch Institutes in the different Provinces.

(6) I now come to the question of Primary Education. From Mr. Nathan's Report on Education, we find that, in 1901-02, the total expenditure on the primary

education of boys in India from the funds of the State was the staggeringly small sum of 13½ lakhs! Since then the amount has been increased, but even so it remains most miserably inadequate, compared with the requirements of the situation. My Lord, the question of mass education in this country has been neglected much too long, and the Government must lose no more time in waking up to its responsibilities in the matter. What is needed is a clear aim, and a resolute pursuit of that aim in a feeling of faith and with enthusiasm for the cause. The first step is to make primary education free in all schools throughout the country, and that can be done at once. The total receipts from fees in primary schools throughout India in 1901-1902 were only 30½ lakhs of rupees, so the sacrifice will not be very great. Moreover, the larger Municipal Corporations might be asked to bear a portion of this loss, so far as their own areas are concerned. The next step will be to make this education compulsory for boys in the Presidency towns, and perhaps in a few other leading towns. When the minds of the people have been accustomed to the idea of compulsion in the matter of education, the area of compulsion may be gradually extended, till at last, in the course of twenty years or so from now, we have in our midst a system of compulsory and free primary education throughout the country, and that for both boys and girls. It will not do to be deterred by the difficulties of the task. Our whole future depends upon its accomplishment, and as long as the Government continues listless in the matter, it will justly be open to the reproach of failing in one of its most sacred duties to the people.

(7) Lastly, there is the pressing need of works of sanitary improvement, such as good water supply and drainage. As I pointed out last year, most of our towns are simply powerless to undertake such costly works without substantial assistance from the State. With the plague in all directions, and with the death-rate of the country steadily rising, the question of sanitary improvements assumes an importance which the Government cannot long ignore. The resources of our local bodies are

barely sufficient for their current needs, and any large capital outlay is wholly beyond them. The present distribution of resources and responsibilities between local bodies and the central Government is most unfair to local bodies, and that is the explanation of the spectacle we have seen during the last few years, namely, that of the Exchequer of the Government overflowing with money, while these bodies have been in a state verging on bankruptcy. It is necessary that the Government should formulate and announce a definite policy on this matter.

All these measures that I have briefly outlined will require a large expenditure of money—both recurring and non-recurring. But even as our resources stand at present, there is room for undertaking them all. Thus if the Army Re-organization scheme is held up, or at least its initial cost is met out of borrowing, a sum, from one to two millions a year, will be available, and that may be devoted to a vigorous extension of primary education. The profits of coinage—averaging now about two millions a year—may supply funds for the relief of agricultural indebtedness. The famine grant which stands at a million sterling, may, after deducting the expenditure on actual famine relief, now be devoted to industrial and technical education. The deposits in Savings Banks may be made available to Co-operative Credit Societies. And whatever surpluses accrue may be devoted to assisting local bodies in the construction of works of sanitary improvement. At any rate an important beginning can be made in all these directions, only the spell, under which the official mind has been for so many years, must be broken.

My Lord, the improvement of the condition of the masses and the conciliation of the educated classes are the two really great problems before the British Government in India. The success or failure of England's work in this country will be determined by the measure of her achievement in these two fields. I have already spoken of the work that must be taken forthwith in hand for the moral and material advancement of the mass of our people. The task is one of great magnitude, but it is comparatively a simple one. The question of the conciliation of the

educated classes is vastly more difficult, and raises issues which will tax all the resources of British statesmanship. There is but one way in which this conciliation can be secured, and that is by associating these classes more and more with the Government of their own country. This is the policy to which England stands committed by solemn pledges given in the past. This is also the policy which is rendered imperative by the growth of new ideas in the land. Moreover, my Lord, the whole East is to-day throbbing with a new impulse—vibrating with a new passion—and it is not to be expected that India alone should continue unaffected by changes that are in the very air around us. We could not remain outside this influence even if we would. We would not so remain if we could. I trust the Government will read aright the significance of the profound and far-reaching change which is taking place in the public opinion of the country. A volume of new feeling is gathering, which requires to be treated with care. New generations are rising up, whose notions of the character and ideals of British rule are derived only from their experience of the last few years, and whose minds are not restrained by the thought of the great work which England has on the whole accomplished in the past in this land. I fully believe that it is in the power of the Government to give a turn to this feeling, which will make it a source of strength and not of weakness to the Empire. One thing, however, is clear. Such a result will not be achieved by any methods of repression. What the country needs at this moment above everything else is a Government, national in spirit, even though it may be foreign in personnel—a Government that will enable us to feel that *our* interests are the first consideration with it, and that *our* wishes and opinions are to it a matter of some account. My Lord, I have ventured to make these observations, because the present situation fills me with great anxiety. I can only raise my humble voice by way of warning, by way of appeal. The rest lies on the knees of the gods.

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## BUDGET SPEECH, 1907.

*[At a meeting of the Imperial Legislative Council, held on Wednesday, the 27th March 1907, His Excellency Lord Minto presiding, the Hon. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1907-08, presented by the Hon. Mr. E. N. Baker :—]*

My Lord, it is a matter of deep and sincere satisfaction to me that the Government has effected a further reduction in the duty on salt, which will now stand at the uniform rate of Re. 1 per maund both in India and in Burma. In view of the language employed by the present Secretary of State for India, in speaking of this impost last year, such action on the part of the Government has not been wholly unexpected. I only wish the Hon'ble Member had spoken of this reduction with more enthusiasm than he has done. I know my Hon'ble friend holds what may be called orthodox official views on this subject. The Council will remember that last year he told us, in his concluding remarks on the Budget, that he "never believed that the tax pressed with undue severity even on the poor." Again this year he says that "the salt-tax is the only contribution towards the public expenditure that is made by a large number of the people." Now the former statement is contradicted by the rapid rise in the consumption of salt which has taken place in response to each successive lowering of the duty and which the Hon'ble Member himself describes as "remarkable." No one is ever likely to stint himself in regard to a prime necessary of life such as salt, unless driven to do so by sheer inability to buy the required quantity. No one, again, is likely to purchase more of it than he needs, simply because it is cheaper than it was before. And I think that the remarkable expansion of consumption that has taken place since the duty was first lowered in 1903—from 36½ million maunds, the average for three years immediately preceding 1903, to 43½ millions, which is the Hon'ble Member's



cautious estimate for the coming year, an increase of nearly 20 per cent. in five years—is conclusive evidence of the fact that a high rate of duty entails serious privation and suffering to the poorer classes of the people. As regards the second statement of the Hon'ble Member, viz., that the salt-tax is the only contribution which the poorer classes make to the Exchequer, with all deference I must dispute altogether the correctness of the contention. Why, my Lord, so far from this being the case, the fact is really the other way. I think there is no room for doubt that even now, after these successive reductions of salt duty, our poorer classes contribute, relatively to their resources, much more than their fair share to the revenues of the State. These classes consist almost entirely of a broken and exhausted peasantry, without heart and without resource, and sunk hopelessly in a morass of indebtedness. It is from this peasantry, that, over the greater part of India, the land revenue of the State is derived, and it is the same with Provincial Rates. Then the bulk of the revenue from drink comes from these classes. The excise duty on cotton goods falls almost exclusively on them. Under Stamps and Registration they pay, certainly, their fair share, and probably more than their fair share, since the bulk of our litigation is about small amounts. Under Forests they have been deprived of their immemorial right to free grazing and free fuel, and the proceeds of these are the only burdensome part of forest receipts, the rest being fair value realised for timber and other products. Even under Customs, where their contribution is expected to be the least owing to their excessive poverty, the Hon'ble Member's predecessor, Sir Edward Law, once calculated that they paid between 20 and 25 per cent. The only tax from which they are altogether free is the income-tax, and the proceeds of this tax are comparatively small, being under 1½ millions sterling a year. Now these, together with the salt-tax, of which the main burden is admittedly borne by them, and the Opium revenue, which is contributed by the foreign consumer, are our principal heads of revenue, and I repeat there is no justification for the assertion that the salt-tax is the only contribution which the poorer classes

in India make to the Exchequer of the State. It may be mentioned that Mr. O'Connor, late Director-General of Statistics, in a paper read by him three years ago, described the poorer section of Indian cultivators as a class that "contributed most largely to the finances of the State." My Lord, I have made these observations, not in a spirit of mere controversy, but because Mr. Morley's pronouncement of last year on the subject of the salt-tax encourages the hope that we may now look forward to the time when this tax may be done away with altogether, and this consummation is not likely to be forwarded, if the Hon'ble Member's views in the matter are allowed to pass unchallenged.

I am glad to see that my suggestion of last year that in the general statements of revenue and expenditure, the figures under Railways and Irrigation (Productive Work) should be given net, has been met more than half way in this year's Statement, by the working expenses on Railways being brought over to the revenue side and deducted therefrom the gross Railway receipts. This is satisfactory as far as it goes, but it does not go far enough, and I think that the Hon'ble Member, having once begun this reform, must now complete it. He still leaves the interest on Railway debt where it was in the accounts. The result is that the figure of Railway revenue, and through it that of our total revenue, continues to be unjustifiably swollen by the amount of this interest, which already stands at about 10 millions sterling and which will increase from year to year as the capital outlay on Railways advances. The Hon'ble Member observes in this connection :—

We have left the Interest on Railway debt in its original place : to have brought it over to the Revenue side of the account as a deduction from its gross-receipts would have necessitated a large *minus* entry in the column for revenue accruing in England.

And such a *minus* entry the Hon'ble Member wishes to avoid, as it would be unintelligible to the ordinary reader. But there are *minus* entries in several other places in the Financial Statement, and if the ordinary reader does not mind them, I do not see why he should mind one more.

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And in any case it is better to be unintelligible than to be unscientific or misleading. Again, the Hon'ble Member has left the figures under Irrigation as they were before. He says:—

We have not thought it essential to go so far as the Hon'ble Mr. Gokhale suggested and to show the Irrigation revenue net. I quite admit that the same general principle applies to the Irrigation as to the Railway figures: but the former are not yet sufficiently large to cause any serious distortion of the true revenue and expenditure of India.

But I would respectfully ask—why allow the figures of true revenue and expenditure to be thus distorted at all? Moreover, it introduces a new element of confusion if Railway receipts and Irrigation receipts, which are both exactly in the same position, are treated in the accounts in two different ways. In these matters it will not do to alter the prescribed forms repeatedly, as that must make a correct comparative view of the financial position over a series of years extremely difficult. And, therefore, now that the Hon'ble Member has already taken in hand this reform, I earnestly hope that he will not stop half way but will proceed to the end, and place the matter once for all on a proper scientific basis.

Another suggestion which I had ventured to make last year was with reference to the separation of Local revenue and expenditure from Provincial and Imperial. In his reply the Hon'ble Member had stated that he himself was in favour of the proposal, as the balance of advantage lay in favour of making the suggested change, and that the matter was under consideration. I am, therefore, disappointed to find that the old practice is still there, and that there is no indication in the Financial Statement as to what has been the decision of the Government in the matter. The present practice is responsible for a good deal of unnecessary and avoidable misapprehension. Especially is this the case with reference to educational expenditure. Thus, in the Financial Statement, we are told that the educational expenditure for next year will be 2 millions sterling. I understand that out of this about £ 800,000

will be Local. But there is nothing in the Statement to show this, and one is apt to imagine that the whole amount of 2 millions will come from Imperial and Provincial revenues. Last year Mr. O'Grady, a prominent member of the Labour party, made an inquiry in the House of Commons as to the amount spent in India from the Indian Exchequer on Elementary Education. The Secretary of State's reply, instead of stating the amount spent from Imperial and Provincial revenues—which for 1904-1905 was, according to a return laid by the Home Member on the table of this Council the other day, only £160,000—gave the figure of expenditure from "Public Funds," which necessarily was much larger. Mr. O'Grady, not being satisfied with the answer, put, after a few days, another question asking the Secretary of State to specify how much of that total expenditure from Public Funds came from Provincial and Imperial revenues. The reply to this was that the Secretary of State was not in a position to state the amount, but that he would make inquiries! Now, my Lord, this is not at all a satisfactory state of things. Surely the accounts of the Government of India ought to show what is the State expenditure on Education apart from Local expenditure. I earnestly trust, therefore, that the suggested separation, which the Hon'ble Member himself regards with favour, will soon be carried out and that the Financial Statement for next year will not be open to criticism on this account.

Coming now to larger questions, I find that I must renew my earnest and emphatic protest against the manner in which our surpluses still continue to be expended as capital outlay on Railway construction. My Lord, I have spoken repeatedly on this subject in previous years, but I feel the injustice of the present arrangement so strongly that I must ask the Council to bear with me while I urge once again, as briefly as I can, my reasons why a change of policy is immediately called for in this matter. This is the ninth successive year when a substantial surplus of revenue over expenditure has been realised, and it is clear that the era of surpluses has not yet come to an end. The total of these surpluses during these nine years stands at

the high figure of 37 crores of rupees, or about 25 millions sterling, and nearly the whole of this amount has been spent as capital on Railways. Now a surplus is so much more money taken from the people, either through miscalculation or in other ways, than was needed for the requirements of the Government. And, as it is not possible to return this money to the tax-payers in a direct form, what the Government is bound to do with it is to apply it to purposes which are most calculated to benefit the mass of the people. And the question that we must consider is this—what is the most urgent need of the mass of our people at the present day? Judging from the manner in which the surpluses are applied year after year to Railway construction, one would conclude that, in the opinion of the Government, what the people needed most was a vigorous extension of Railway facilities. Now, my Lord, I respectfully submit that such a view of the situation is not justified by the circumstances of the country. The claims, for instance, of Sanitation on the attention of the Government are at the present day infinitely stronger and more urgent than those of Railway construction. Already an enormous sum—no less than 400 crores, or 260 millions sterling—has been spent on Railways in India, while next to nothing has so far been expended on the construction of sanitary works. With so many towns in the country decimated by plague year after year, with cholera and malaria committing their havoc in other parts, with the death-rate of the country as high as 35 per thousand as against 16 per thousand in England, I do not see how the Government can continue to leave Sanitation practically to take care of itself. Let the Council consider what difference it would have made to the country, if the surpluses of the last nine years—37 crores of rupees—had been devoted to sanitary works instead of to Railway construction! My Lord, we all know that, by spending the surpluses as capital on Railways, the Government is able, in the final adjustment, to reduce by a corresponding amount the unproductive debt of the country. And it may be contended that though the surpluses are in the first instance devoted to Railway construction, they are in the end virtually utilised for the

reduction of debt. My answer to this is that our debt, by which I mean the unproductive debt of the country—for that is the only real debt—is so small in amount that its further reduction is not an object of much importance. Taking the year 1904-05, we find that this debt then stood at the figure of 60 millions sterling. The “other obligations” of the Government of India, such as Savings Banks deposits, Service funds, and so forth, amounted in that year to 17 millions. Against this there were cash balances in the Treasuries, here and in England, amounting to 21 millions, and the loans and advances by the Government stood at 12 millions. Our net debt thus is about 44 millions sterling, or less than two-thirds of a year's revenue. This is almost a paltry figure, compared with the huge debts of European countries, and the position may no doubt be regarded with satisfaction. But it must not be forgotten that such a result has been rendered possible only by throwing on current revenues for a quarter of a century the burden of all manner of extraordinary charges, which in other countries are usually met out of loan funds. The further reduction of this small debt, therefore, is not a matter of urgency and can well wait, when the money devoted to it may be far better employed in saving the lives of the people. My Lord, it will not do for the Government to say that sanitation is the concern of Local Bodies and it is for them to find the money required to improve it. Most of our towns are extremely poor and the present distribution of the resources between the Government and the Local Bodies is of a most unsatisfactory character. How unsatisfactory it is may be judged from the fact that, while there has been a plethora of money in the Government Exchequer for the last nine years, most of our Local Bodies have all the time been struggling with serious financial difficulties and some of them have been in a state not far removed from bankruptcy. Without substantial assistance, therefore, from the Government in meeting the large capital outlay which modern sanitary works require, Local Bodies will never be able to grapple with the problem of improved sanitation; and to my mind there can be no more desirable object on which the Government might expend its

surpluses. The Supreme Government should call upon the Provincial Governments to assist sanitary projects liberally out of their own ordinary revenues, and whenever a surplus is realised, it should, as a rule, be placed at the disposal of Provincial Governments for pushing on the construction of sanitary works. I know there is the standing pressure of the European Mercantile Community to expend every available rupee on Railways, and these men are powerful both in this country and in England. But, my Lord, the Government must resist this pressure in larger interests, so far at any rate as the surpluses are concerned. Time was, not long ago, when the Government never thought of spending more than four or five crores a year on Railways. And ten years ago Sir James Westland protested sharply against the manner in which programme after programme of Railway construction was being pressed on him in breathless succession. It is true that in those days the Railways were worked at a net annual loss to the State, and that in that respect the position has now undergone a change. Still 13½ crores is a very large amount to spend in any one year on Railways, and yet the Hon'ble Member has thought it necessary to be apologetic in making the announcement! My Lord, I have no objection to the Government using its borrowing powers as freely as possible to push on Railways, which now rest on a sound commercial basis. But it seems to me most unfair that the loans thus raised should be supplemented by the proceeds of taxation. Moreover, judging from certain observations made by the Hon'ble Member last year, I believe that another resource, and that a large one, will probably be soon made available for Railway construction, and that will be a strong additional ground for devoting surpluses in future years to the improvement of sanitation.

This resource is the profit now annually realised by the State from the coinage of rupees. For the current year it has amounted to the large sum of 4 millions sterling or 6 crores of rupees. Last year it was nearly as large, being 3½ millions sterling or 5½ crores. Hitherto these profits have been allowed to accumulate at compound interest,

and this Fund, which will in future be known by the name of Gold Standard Fund, stands at present at over 16 millions sterling. I think, my Lord, the public has a right to ask that the Government should now state definitely what limit they propose to assign to this fund, and how the profits from coinage will be dealt with when that limit is reached. This is necessary in view of the fact that the statements hitherto made on this subject by those in authority have been more or less vague, and, in some respects, even conflicting. Sometimes the purpose of the fund has been stated to be merely the ensuring of the stability of exchange, and sometimes the much more ambitious purpose of preparing for a gold currency has been avowed. When the fund was first constituted in 1900, it was in accordance with a recommendation of the Fowler Committee of 1898—a recommendation which had been made with a view to the maintenance of a stable exchange. In 1901-02 Sir Edward Law, in speaking of the Reserve, leaned to the view that it would serve as “a guarantee for the conversion into gold, if required, of the Rupee token coinage.” Lord Curzon, however, merely described it as a means of maintaining the exchange value of the rupee at 1s. 4d. In 1902-03 Sir Edward Law again referred to this Fund, and this time he also stated its purpose to be the maintaining of a stable exchange. In 1904 Lord Curzon reaffirmed the same view. In 1905 the Hon’ble Mr. Baker also gave this view prominence in his statement. Last year, however, the Hon’ble Member pushed the other and more ambitious view to the front and spoke of the time when the rupees would have to be converted into sovereigns. Again, as regards the amount that is required for ensuring stability of exchange, different statements have been made by different authorities. Lord Curzon said that 10 millions sterling would suffice for the purpose. Sir Edward Law put the limit at 20 millions. The Hon’ble Mr. Baker has put it still higher. In 1905 the Hon’ble Member said :—

I should like to see it (the fund) raised to such a figure as would enable us, in the event of extreme and continued emergency, to reduce the Secretary of State’s drawings by one-half for three years in succession, *i.e.*, to something between 20 to 30 millions sterling.



Now, my Lord, all this is somewhat confusing, and the Hon'ble Member will recognise the necessity of making a full and definite statement of the intentions of the Government both as regards the purpose which the Fund is to serve and the limit up to which it is to grow. This is the more necessary because the Fund was created under mere executive sanction without having recourse to the authority of the Legislature, and also because the annual profits from coinage are now far larger than had been anticipated. I think the Government ought to adhere to the idea of the fund merely serving as a guarantee for the maintenance of a stable exchange. In that case, even the high limit contemplated by the Hon'ble Member would soon be reached and the profits from coinage—a matter now of five or six crores a year—would be available before long to be employed more usefully than at present. On the other hand, if the more ambitious purpose avowed by the Hon'ble Member last year is to determine the policy of the Government, no limit can be foreseen to the accumulation of the Fund. Such a course, in my humble opinion, would not be justified, and I would venture to urge the following objections against it :—

- (a) That a gold currency for India has never been authoritatively proposed as a definite object to be attained. A stable exchange at a reasonable rate is all that successive authorities have sought to ensure.
- (b) That it is wrong to pile up a huge gold reserve in pursuit of an object never proposed, or defined, or even regarded as attainable within a measurable distance of time.
- (c) That it is looking too far ahead into the future to anticipate the introduction of a gold currency into India.
- (d) The present margin between the value of bullion and the token value of the coin will not suffice to ensure the conversion of rupees into gold, for the moment demonetization is proposed, silver will be depreciated still further.

- (e) Even on the Hon'ble Member's assumption the Reserve can suffice only for the conversion of rupees coined since 1900. The stock of rupee coin of previous years—estimated at about 130 crores by Mr. Harrison, the Expert—will not be covered by it.

I trust the Hon'ble Member will set all doubts in the public mind at rest by making a definite announcement of the intentions of the Government in the matter, if not in the course of this debate, at any rate in the Financial Statement of next year.

My Lord, besides the reduction of the salt-tax, there are four other interesting and gratifying features in this year's budget. They are the new arrangement for meeting Provincial Famine expenditure, the prospect of an abolition of the Opium traffic, the reduction by half a million sterling of the special annual grant for Army Reorganization and the announcement made on the subject of Free Primary Education. Of these the first does not require more than a passing reference. I think the scheme outlined by the Hon'ble Member is an equitable one and ought to work well in practice. I only hope that the commendable liberality with which the Imperial Government has treated Provincial Governments in this matter will be extended by the latter in their turn to Local Bodies, and that these bodies, whose resources, even in prosperous years, are meagre and inelastic, will now be relieved of all responsibility for famine relief altogether. This responsibility was thrust on them when the Government of India itself had to struggle, owing to falling Exchange and other difficulties, with a state of chronic deficits. Now, however, that the very tradition of a deficit has been forgotten, no time should be lost in definitely freeing Local Bodies from a burden which should never have been imposed on them.

My Lord, I have read with sincere pleasure the important statement which the Hon'ble Member has made on the subject of the Opium revenue, coupled as it is with a reduction in the area under cultivation for the ensuing

year. I confess I have always felt a sense of deep humiliation at the thought of this revenue, derived as it is practically from the degradation and moral ruin of the people of China. And I rejoice that there are indications of a time coming when this stain will no longer rest on us. I have no wish to go to-day into the historical part of this melancholy business. The Secretary of State admitted freely in his speech last year on this subject that there were few things which Englishmen had reason to regard with less pride than this. The only practical question now is, how to put an end to this morally indefensible traffic with the least derangement in our finances? It has been suggested in some quarters that the British Exchequer should make a grant to India to compensate her for the loss of revenue which would be entailed by the extinction of this traffic. Now, apart from the fact that there is not the slightest chance of England making such a grant, I think the proposal is in itself an unfair one and ought to be strongly deprecated. No doubt there are important questions like the Army expenditure, in regard to which India has to bear serious financial injustice at the hands of England. Then the cost of the civil administration ought to be substantially reduced by a large substitution of the Indian for the European agency in the public service. And if only justice were done to us in these matters, we could let the whole Opium revenue go at once and yet not feel the loss. But these questions have to be fought on their own merits and they must not be mixed up with this Opium question. So far as the Opium revenue is concerned, whatever may be the measure of England's responsibility in forcing the drug on China, the financial gain from the traffic has been derived by India alone, and we must, therefore, be prepared to give up this unholy gain without any compensation from anybody—for that would be only another name for charity—when in the interests of humanity this wretched traffic has got to be abolished. Of course we have a right to urge, and we should urge, that we must be allowed to spread our loss over a certain number of years—say ten years—so that our finances should not be suddenly disorganised. That would be a fair position to

take up, and we should have there the support of all right-minded people. But the traffic itself must go, and we must cheerfully co-operate in any reasonable scheme for its final extinction.

My Lord, I am glad to see that the special grant of over two millions a year for the Army Reorganisation scheme has been reduced this year by half a million sterling. Considering that the money comes out of the iron grip of His Excellency the Commander-in-Chief, I think we have reason to feel thankful even for this small reduction. Of course since the total initial outlay on the scheme is a fixed sum, this reduced grant only means that the execution will be spread over a longer period than the five years originally contemplated. Still it sets free for purposes of internal improvement a sum of half a million sterling a year out of current revenues. The Hon'ble Mr. Baker describes the circumstances which have led to this reduction in the following words:—

The present political situation and the reduced receipts we anticipate from Opium have led us to reduce the normal grant to £1,668,700 during the coming year.

I am glad to see the reference to the 'present political situation' by which the Hon'ble Member no doubt means the improved aspect of affairs on the North-West Frontier. This is partially endorsing the view of those who have objected to the carrying out of His Excellency's scheme on the ground that it added largely to the burdens of the people at a time when, in view of the improvement that had taken place in the position of things, they were entitled to substantial relief. My other objection to the scheme was on account of its throwing on current revenues a heavy extraordinary charge which should have been met out of borrowings. The surpluses of the last nine years were more than sufficient to meet this non-recurring charge twice over, and as they had been for the most part employed in a way which eventually resulted in a reduction of our debt, it was only an act of bare justice to the tax-payers that this heavy non-recurring charge, instead of being spread over a number of years and thrown on current revenues, should have been met out of loan funds.

However, I see in the papers that Mr. Morley has finally accepted the scheme. That being so, I fear no useful purpose is likely to be served by my continuing the controversy in this Council. I only trust that the view which, I understand, is held by the Government that the scheme will in the end make for economy will be found to be justified, when the time for judging of its correctness arrives. Meanwhile as there is still much vagueness in the public mind about the nature and scope of the scheme, may I respectfully suggest to His Excellency that it will help to clear away unnecessary misapprehensions, if he will see his way to make an authoritative statement on the subject—as far, of course, as a public statement can be made in a matter of this kind?

My Lord, the military problem in India may be looked at from four points of view. There is first of all the standpoint of the military expert—the soldier—whose principal idea is to raise the efficiency of the Army to as high a state of perfection as possible, and who wants to take for this purpose all the money he can get. Then there is the standpoint of the average Englishman, who wants to feel safe about India and who is comparatively indifferent as to what burdens are imposed on the people of this country in order that he may feel so safe. That is the way the ordinary member of Parliament looks at this question. Thirdly, there is the standpoint of the Indians themselves—those who have to bear the burden, but have hardly any share in the privileges of the present arrangement. Lastly, there is a standpoint which in a way comprehends or should comprehend all these three, though not necessarily in the same degree, and that is the standpoint of the Government of India. Now, my Lord, when we, the Indian Members of this Council, speak at this table on this question, we necessarily approach it from the Indian point of view. It is to express that view that we are here, and though we know that our voice is weak and that what we say is not likely for a long time yet to influence the practical decisions of the Government, that does not absolve us from what is after all our duty to ourselves in the matter. We should be guilty of presumption if we

extended our remarks to technical details relating to the Army, on which we are not qualified to express an opinion. But there are certain broad questions of policy—also questions connected with the progress of humanity—which all men of average intelligence may claim to understand and discuss. My Lord, I do not believe that any serious war cloud is likely to appear on our horizon in the near future. I am fortified in this opinion by the high authority of Mr. Balfour and Mr. Haldane. The triumph of Japan in the late war and the gradual waking up of China and even of Persia—these, if not the overthrow and exhaustion of Russia, are bound to discourage European aggression in Asia for many years to come. Moreover, wars between the great Powers of Europe—and the only war that can touch us is one between England and Russia—are daily growing less and less likely. A comparison of the history of Europe in the 19th century with that in the 18th will show in what direction things have been moving. And the 20th century is bound to be even better than the 19th. The people in Europe are no longer mere pawns on the chess-board of Kings and Ministers. And they are realising more and more what horrors a war means to them. I think, therefore, that India may well ask to be relieved now of a part of her present Army expenditure. Further, the injustice of the present arrangement, whereby a disproportionate share of the cost of military defence of the whole Empire is thrown on her, must be remedied. Then the status of the Indian officers in the Army, which at present is admittedly most unsatisfactory, must be improved, and higher careers thrown open to them. Lastly, the wrong inflicted on all classes of the Indian community indiscriminately by keeping them compulsorily disarmed—thereby slowly crushing all manhood out of a whole race—must be cautiously but steadily set right. My Lord, I have spoken time after time on these subjects in this Council, and last year His Excellency the Commander-in-Chief, with perhaps a touch of impatience, observed that he had heard my arguments and assertions every year for three years. But, my Lord, is it *my* fault that these things have to be pressed again and again on the attention of the Government? If His Excellency

would like to hear less of the complaints, the remedy lies to a certain extent in his own hands. A way must be found out of the present situation, which is no doubt difficult and delicate, but which must not be allowed to continue as it is, simply because it is difficult and delicate. Otherwise His Excellency may raise the Army to the highest pitch of efficiency, and yet he will have left the larger military problem in India as unsolved as ever.

I now come to what is in some respects the most gratifying feature of the present budget—I mean the statement which the Hon'ble Member makes on the subject of Free Primary Education. The statement is brief, but it says enough to indicate clearly the resolute purpose that lies behind it. My Lord, the whole country has reason to feel grateful to your Lordship's Government for taking up this question in this earnest spirit. The circular letter of November last and this paragraph in the Financial Statement, taken together, leave no doubt in my mind that before the budget for next year is presented, primary education will have been made free throughout India; for I cannot imagine any Local Government standing in the way of the adoption of this measure, since the Government of India is going to find all the money required for it. I am sure we owe much in this matter to the Hon'ble Mr. Baker's active support of the cause. I cannot help recalling that last year when this question was raised in this Council, my Hon'ble friend expressed his sympathy with the proposal in most cordial terms.

I have, he said, the keenest sympathy with every one of the objects on which the Hon'ble Member desires to see public money expended. In particular, I am greatly interested in his proposal for making primary education free with the intention of ultimately making it compulsory. I hope and believe that some great scheme of this nature will eventually be carried into execution.

This was in marked contrast to the reception which the appeal met with at the hands of another member of Government, who, by what must now be described as an irony of fate, then presided over our Education Department and who was therefore the responsible spokesman on behalf of the Government on the subject. Sir Arundel expressed himself in the matter thus:—

I understand the Hon'ble Mr. Gokhale to advocate universal free primary education throughout India. That would be a large order.

And the utmost that he could bring himself to promise was that the aspiration for free primary education would be "kept in view as the distant peak to be one day attained while the work of the present must be slow progress along the plain." What was, however, 'a large order' in March became a very reasonable order in November, so reasonable indeed that the circular letter addressed to Local Governments on the subject showed unequivocally that the Government of India had already made up its mind to adopt the measure. The incident serves only to emphasise the necessity of entrusting the Educational portfolio to such members as feel some enthusiasm for the subject. My Lord, now that the Government has advanced as far as free primary education, I earnestly trust that no long interval will be allowed to elapse before the next step is taken, viz., that of making a beginning in the direction of compulsory education. If His Highness the Gaekwar of Baroda has found it practicable to make primary education compulsory in his State, I cannot understand why the British Government should not be able to overcome the difficulties that lie in its path. The best plan, as I urged last year, would be to confer powers, in the first instance, on Municipal Corporations, in cities with a population of, say, a hundred thousand and over, to introduce compulsion for boys within their areas, the Government of India finding the funds required. The area of compulsion may then gradually be extended, till at last in twenty years or so, primary education should be compulsory in the country for both boys and girls. My Lord, we are already so far behind other civilised nations in this matter that no further time should be lost in making such a beginning. As an eminent German Professor points out, no real economic or social development of a people is possible without the education of the masses. Such education is "the foundation and necessary antecedent of increased economic activity in all branches of national production, in agriculture, small industries, manufactures and commerce;" it leads to a more equal distribution of the proceeds of labour; and it ensures a



higher level of intelligence and a larger capacity for achieving social advance among the people. It is impossible to over-estimate the importance of this question in the present state of India.

My Lord, I have so far dealt with various questions arising out of the Financial Statement which the Hon'ble Member has laid before the Council. The question, however, that, in my humble opinion, transcends all others in importance at this moment is how to associate the people of this country with the administration of their own affairs, so that their growing estrangement may be prevented, and, while their self-respect is satisfied on one side, the bond between them and the Empire may be strengthened on the other. The Englishman who imagines that India can be governed much longer on the same lines as in the past, and the Indian who thinks that he must seek a destiny for his country outside this Empire, of which now, for better or worse, we are a part—both alike show an inadequate appreciation of the realities of the present situation. The main difficulty in regard to this association arises from the fact that the Government of this country is really in the hands of the Civil Service, which is practically a caste, with all the exclusiveness and love of monopoly that characterise castes. My Lord, I am speaking in the presence of so many distinguished members of that service, and I respectfully trust I shall not be considered guilty of rudeness in making these observations. These men, who give on the whole a high average of work, and who moreover feel conscious that they are doing their best, are naturally satisfied with their position, and they expect us to be satisfied with ours. And as they happen to be practically the sole advisers of both the Viceroy and the Secretary of State, no reform which they do not approve has, as a rule, any chance of being adopted. Of course there are exceptions, but I am speaking now of the Service as a class. In a general way they seem to recognise that some advance is now necessary, but when you come to a discussion of different measures of reform, a majority, though not necessarily composed each time of the same individuals, is to be found arrayed

against every reform that may be proposed. Thus, if it is urged that judicial and executive functions should now be separated, you will be told that that will not do as that will weaken the executive power. If you say that the Viceroy and the Secretary of State should have among their official advisers one or two Indian gentlemen, the suggestion is resisted on the ground that the confidential character of the deliberations in the two Councils will no longer be assured. If you propose that the Legislative Councils should be expanded and improved and they should be entrusted with some degree of power to exercise a check over the financial and general administration of the country, the objection is raised that such a reform will strike at the root of the very constitution of the Government, which, as the Secretary of State said last year, must continue for as long as one can see autocratic and personal. If the reform suggested is that Municipal and Local Boards should now be made purely non-official bodies, freed from all immediate official control, the answer will be that Local Self-Government touches intimately the interests of the mass of the people, and you cannot allow its efficiency to be lowered. And thus we move round and round the fortress of official conservatism and bureaucratic reluctance to part with power without being able to effect a breach at any point. My Lord, this kind of thing has now gone on for many years, with the result that the attitude of the public mind towards the Government—‘opinion,’ as Burke calls it, is of greater importance than laws or executive power in maintaining order—has undergone a steady and, of late years, even a rapid change. Since last year, the impression has prevailed that the Government has at last decided to move forward and that important concessions are contemplated. I earnestly trust that this impression is well-founded. I trust also that the proposed reforms, when announced, will be found to be substantial and conceived in a generous spirit. My Lord, it is of importance that there should be no unnecessary delay in this matter. The public mind is in a state of great tension, and unless the concessions are promptly announced and steps taken to give immediate effect to them, they will, I fear, lose half their efficacy and all their

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grace. The situation is an anxious—almost critical one, and unless the highest statesmanship inspires the counsels of the Government, difficulties threaten to arise of which no man can foresee the end.

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## BUDGET SPEECH, 1908.

*[At a meeting of the Imperial Legislative Council held on Friday, the 27th March, His Excellency Lord Minto presiding, the Hon'ble Mr. G. K. Gokhale made the following speech on the Financial Statement for 1908-09 presented by the Hon. Mr. E. N. Baker :—]*

My Lord,—I confess it was with a sense akin to relief that I read the opening paragraphs of the statement which the Hon'ble Member has laid before the Council this year. Direct expenditure on famine relief is fair test of the extent and intensity of a famine. And, judged by this test, the calamity that has overtaken the country again this year, though undoubtedly very great, is still not so appalling as the famines of 1877 or 1897 or 1900. The famine of 1877 cost the State for purposes of direct relief a sum of  $7\frac{1}{2}$  crores of rupees; that of 1897 also cost nearly  $7\frac{1}{2}$  crores; while in 1900 the amount expended exceeded  $9\frac{1}{4}$  crores. Compared with these figures, one feels thankful that this year's famine will not require more than two crores for direct relief. Of course, this is on the assumption that the next rainfall will be normal, and for the present one can only hope that it will be normal. Meanwhile, it is a pleasure to acknowledge the manner in which the Government is endeavouring to meet the distress everywhere. By far the largest area affected is in the United Provinces, and these Provinces are fortunate in their present ruler. I am sure Sir John Hewett's famine administration will be remembered as gratefully as that of Sir Antony MacDonnell in the same Provinces in 1897, and of Sir Andrew Fraser in the Central Provinces in 1900.

I am not sure that the Hon'ble Member is quite correct when he says that the financial position of this year is stronger than that in 1900-1901. It is true that Mr. Clinton Dawkins had budgeted in 1900-1901 for only a small surplus of £ 160,000, while the Hon'ble Member

estimates the surplus for the coming year at £571,500. But, in the first place, Mr. Clinton Dawkins has closed the year 1899-1900 with a surplus of over 4 crores of rupees, after finding over three crores for famine relief in that year, whereas the Hon'ble Member who has been called upon to find during the current year not more than 77 lakhs for famine relief, closes the year with a surplus of 35 lakhs only. Even this surplus of 35 lakhs is more apparent than real. It is a surplus in the accounts of the Government of India. But as the Provincial Governments have during the year depleted their balances by about  $1\frac{1}{2}$  crores, the net result of the year's revenue and expenditure transactions for the country as a whole is a deficit of about 115 lakhs and not a surplus of 35 lakhs. Again, though Mr. Clinton Dawkins had estimated the surplus for 1900-01 at about 24 lakhs, the actual surplus realised at the end of the year turned out to be over  $2\frac{1}{2}$  crores, or ten times the modest figure budgeted for, and this after spending over  $6\frac{1}{4}$  crores on famine relief. On the other hand, the Hon'ble Member provides only 130 lakhs for famine relief during the coming year and he budgets for a surplus of 85 lakhs, against which we have a further depletion of cash balances by Provincial Governments to the extent of 79 lakhs. This does not show that the financial position to-day is stronger than it was eight years ago. Of course, the level of taxation has been lowered since 1900, but that does not alter the real character of the comparison.

There is one observation of the Hon'ble Member on the subject of this year's famine to which I deem it necessary to take strong exception. The Hon'ble Member points out that the number of those who are in receipt of State relief this year is smaller than on the last two occasions, and he regards it as a reasonable conclusion that this is partly due 'to the greater resisting powers of the people.' Now, my Lord, I think the facts which the Hon'ble Member himself mentions in his statement—viz., that the failure of crops has been less extensive and less complete this time than in 1897 or 1900, and that takavi advances have been made far more liberally and far

more promptly than before—are in themselves quite sufficient to explain the difference in the number of applicants for State relief. Considering the extent of the area affected, the depth of the distress caused, and other circumstances of this year's famine, I venture to think that one and a half millions is not at all a small number to be in receipt of State relief at this time of the year. I can assure the Hon'ble Member that no one will be better pleased than myself if the Government of India will order a regular and careful enquiry into the condition of a few typical villages so as to ascertain whether 'the resisting powers of the people' are increasing or diminishing. The Famine Union in London has been demanding such an enquiry for a number of years and not a few distinguished names in England have associated themselves with this demand. But the Government of India, for reasons best known to itself, shrinks from such an investigation. That being so, I think the Hon'ble Member is not entitled to deduce such a conclusion from such slender promises in so important a matter. The Famine Commission of 1898 tried, in the course of their enquiries, to collect some evidence on this subject. And their conclusion, which, I think, still holds good, is worth quoting. After referring to certain classes whose condition, in the opinion of the Commission, had probably improved, they observe :—

Beyond these classes, there always has existed, and there still does exist, a low section of the community living a hand-to-mouth existence, with a low standard of comfort and abnormally sensitive to the effects of inferior harvests and calamities of season. This section is very large and includes the great class of day-labourers and the least skilled of the artisans. So far as we have been able to form a general opinion upon a difficult question from the evidence we have heard and the statistics placed before us, the wages of these people have not risen in the last twenty years in due proportion to the rise in prices of their necessities of life. The experience of the recent famine fails to suggest that this section of the community has shown any larger command of resources or any increased power of resistance. Far from contracting, it seems to be gradually widening, particularly in the more congested districts. Its sensitiveness or liability to succumb instead of diminishing is possibly becoming more accentuated, as larger and more powerful forces supervene and make their effects felt where formerly the result was determined by purely local conditions.

As regards small cultivators who, after this class, suffer most from famine, I do not believe they have as yet had time to recover from the terrible effects of recent famines. It should be remembered that the losses of the peasantry during the last two famines in crops and cattle have been estimated at 300 crores of rupees. In Bombay, during the last 12 years, only two years have been free from any expenditure on direct famine relief. The Central Provinces have fared almost as badly. In the United Provinces the present famine comes after only a year's respite to the people, as the year before last was also a year of famine. In Bengal, too, the seasons latterly have not been very favourable. Then over the greater part of the area affected by recent famines, the ravages of plague have been added and these ravages have meant not only a frightful loss of life, with vast mental anxiety and suffering, but also heavy losses of resources to the poorer classes, whose daily life, wherever the plague rages, is disorganised from 4 to 6 months every year. It is true that certain sections of the community—those engaged in textile industries, for instance—have recently had a brief spell of prosperity and the newly awakened enthusiasm for industrial development in the country has also had a beneficial effect. But this, I fear, has not made any difference to the bulk of those who go down the precipice at the first touch of famine—barring probably weavers, mill-hands and other workers in factories, and certain classes of small artisans.

My Lord, the high prices which have been ruling in the country for some time past, independently of the present famine, and which have caused acute and widespread suffering, have naturally attracted general attention, and I was glad to hear the Hon'ble Mr. Miller state the other day in reply to a question by my friend Mr. Chitnavis, that the Government was considering the advisability of referring the whole question to a Committee for inquiry. I earnestly trust that a strong Committee will be appointed and that as early as may be practicable; for apart from the distress which high prices must cause to those whose incomes do not rise with the rise in prices, the

situation suggests certain disquieting considerations, which require a close and careful examination. It seems to me, my Lord, that the phenomenally heavy coinage of new rupees during the last few years by the Government has something to do with this general rise in prices. Really speaking, the artificial appreciation of the rupee by the currency legislation of the Government should have brought about, after things had time to adjust themselves on the new basis, a general fall in prices in this country. In the first few years after the closing of the mints to the free coinage of silver, this tendency was counteracted by a succession of famines and scarcities, and probably in a smaller measure by hoarded rupees having come into circulation. Latterly the general rise, which has taken place in the gold prices of commodities all over the world, has no doubt helped to raise prices in India. But this can account for only a part of the rise that has taken place in this country, and we must look for other causes to explain fully the extraordinary phenomenon we have been witnessing for some time past. I think some light is thrown on the problem by an examination of our coinage statistics. The following figures give the annual average of rupees coined, *minus* old rupees recoined by the Government of India, for each decade from 1834 to 1893, when the mints were closed to the free coinage of silver, and for the years following the passing of the Act of 1899, when coinage operations on a large scale were again resumed. The period from 1894 to 1899 is omitted because, during the first three years of that period, no new rupees were coined at all, and during the next three a very small number—only about two crores in all—was coined.

Period (annual average for).					Crores.
1835-44	...	...	...	...	2·2
1845-54	...	...	...	...	2·4
1855-64	...	...	...	...	3·2
1865-74	...	...	...	...	4·8
1875-84	...	...	...	...	6
1885-93	...	...	...	...	8·3
1900-1904	...	...	...	...	8·3
1905-1907	...	...	...	...	20·7

I have not been able to obtain the figures of rupees recoined during the last period, *i.e.*, from 1905 to 1907.



I do not think, however, that these figures have been large and the deduction to be made on their account from the average will not, I believe, be substantial.

Prior to 1893, the melting back of rupees into silver by those who needed silver prevailed on a large scale in the country, and it has been estimated that about 3 crores of rupees must have been so melted annually. Since the currency legislation of 1893 this melting has had to cease, owing to the great difference between the token value and the intrinsic value of the rupee. The stock of rupees in existence in India before 1898 was estimated by Mr. Harrison, the Expert, at 130 crores. During the last ten years, the Government has made a net addition to this stock of over 100 crores. It seems to me that such a sudden inflation of the country's currency is bound to result in a general rise of prices. It may be said that, in view of the great expansion of trade during the last few years and of the increased industrial activity of the country, such augmentation of the currency was necessary. A reference to trade returns, however, does not support this view. During the 20 years preceding the closing of the mints, our exports of merchandise advanced from 54 crores to 106 crores, *i.e.*, doubled themselves, and yet the average annual coinage only advanced, as shewn above, from 6 crores to 8.3 crores during that time. Again, from 1894 to 1905, the exports rose from 106 crores to 157 crores, but the annual average coinage for the five years ending 1904 was just the same as that for the eight years ending 1893, *viz.*, 8.3 crores. It is, therefore, difficult to see why the average should have suddenly gone up from 8.3 crores to 20.7 crores during the last three years. What is probably happening is this. The rupees issued by the Government in response to the demands of trade go into the interior and spread themselves among those from whom purchases are made. But, owing to various circumstances, they do not flow back quickly to centres of trade or to banks, and thus new rupees have to be obtained for transactions for which old rupees might have sufficed. Meanwhile, the melting back of rupees into silver having ceased, every issue becomes a net addition to the volume

of the currency. If this analysis of the situation is correct, it suggests a grave problem, for it means that prices will tend to rise still further. One effect of these high prices, due to a heavy augmentation of the currency, will be to discourage exports and to encourage imports. Another effect will be that whatever gold there is in general circulation in the country—I understand that it is about 12 millions—will be drained from the country. A third effect will be that the cost of production will rise owing to a rise in the cost of living and this will place indigenous industries at a disadvantage in their competition with foreign products. Whether the foundations of the currency system will be involved in the general disturbance that will thus be caused, it is difficult to say. But it is not improbable that an economic crisis, causing great suffering to large numbers of people, may arise, necessitating urgent remedial action at the hands of the State.

The Hon'ble Member gives an interesting table in his statement to compare the incidence of the salt duty in this country with what it is in some European countries. Now, in this matter of the salt tax, the people of this country will always remember with feelings of gratitude the Hon'ble Member's tenure of office as Finance Minister, for he has given us two successive reductions of the salt tax, which is more than any of his predecessors ever did. But though his hand has given us the relief, his head, if he will permit me to say so, seems still to be under the influence of orthodox official ideas; and in the table compiled by him, I detect a lingering feeling of regret that the Government should have sacrificed so much revenue to lower a duty which, after all, did not press heavily on the people! Now, in the first place, it is necessary to remember that our complaint about the burdensome nature of the salt tax was with reference to the old level of the duty and not its present level. Secondly, before the Hon'ble Member's comparison can pass muster, it is necessary that he should give us separately the rates of the excise duty and the import duty on salt in those countries which he mentions; for when a country has strongly protectionist fiscal system, heavy

import duties may exist side by side with light excise duties. And, thirdly, to gauge correctly the comparative pressure of a tax in different countries, we must take into account not merely the amount of the tax paid per head in each country, but also the ratio of that amount to the average income per head. So judged, the salt tax will be found even to-day to press more heavily on the people of India than any other people, except those of Italy, as the following table will show. In this table I have taken the figures of average income per head for the five European countries mentioned by the Hon'ble Member from Mulhall's Dictionary of Statistics. For India I have taken Lord Curzon's figure, though it is clearly an over-estimate:—

Country.	Annual income per head.	Salt duty per head in terms of a day's income.
	£	£
France ...	25·7	$\frac{1}{3}$ day's income.
Germany ...	18·7	1 day's "
Italy ...	12	4 day's "
Austria ...	16·3	$1\frac{1}{3}$ day's "
Netherlands ...	26	$\frac{1}{3}$ day's "
India ...	2	2 day's "

Since the Hon'ble Member is in a mood to appreciate comparisons between India and European countries, I venture to present to him another table, and I respectfully trust that he will find it not only interesting, but also instructive! It is a table giving the State expenditure on education in the five countries selected by the Hon'ble Member for comparison and in India.

Country.	State expenditure on education per head.			s.	d.
France ...	...	...	...	5	4
Germany ...	...	...	...	4	0
Italy ...	...	...	...	1	8
Austria ...	...	...	...	2	4
Netherlands ...	...	...	...	4	3
India ...	...	...	...	0	1 $\frac{1}{2}$

My Lord, I am glad that the accounts of the Local Boards have at last been separated from those of the Government in the Financial Statement. I wish the Hon'ble Member had, at the same time, carried further his reform of last year of dealing with Railway and Irrigation figures. He admits the anomaly of treating the two sets of figures differently. He admits also that it would be desirable to deduct the amount of interest from these figures from both revenue and expenditure sides. But he fights shy of large *minus* entry which would result from the adoption of this course, though there are *minus* entries in several other places in the Financial Statement. Well, I can only hope that some future Financial Member will take a different view of the matter. Strictly speaking, it is not only Railways and Irrigation, but also Post, Telegraphs and Mint, that is, all our commercial and *quasi*-commercial services that must be taken net, if an erroneous idea of our real revenue and expenditure is to be avoided. Also Assignments, Compensations, Refunds and Drawbacks must be deducted from the revenue of the major heads, and advances to cultivators and cost of manufactures in connection with opium must be deducted from the so-called Opium revenue. And on the expenditure side the Interest on Ordinary Debt must be taken net. I venture to think that if our accounts are presented in this manner, they will convey a far more correct idea of our real revenue and expenditure than is done at present. Thus re-arranged, the figures of the Budget for the coming year will appear as follows :—

*Revenue*—(in millions sterling)

Major heads	...	...	...	...	...	45.98
Commercial and <i>quasi</i> -commercial services					...	8.29
Departmental, Receipts (Civil, Miscellaneous, Public Works other than Railways and Irrigation, and Military)	...	...	...	...	...	2.92
						—
Total	...					52.19
						—

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<i>Expenditure</i> —(in millions sterling).					
Charges for collection of revenue	...	...	...	...	6·04
Interest	...	...	...	...	·72
Salaries and expenses of Civil Departments	...	...	...	...	14·04
Miscellaneous Civil Charges	...	...	...	...	4·62
Famine Relief and Insurance	...	...	...	...	1·53
Other Public Works	...	...	...	...	4·45
Military Charges	...	...	...	...	20·75
					52·15
<i>Deduct</i> portion of Provincial expenditure					
defrayed from Provincial balances	...	...	...	...	—·53
					51·62
Surplus	...	...	...	...	·57
				Total	...

Of course, I recognise the difficulty of making radical alterations in old and long-established forms, but I would earnestly urge the Hon'ble Member to see if he cannot add another table to the Financial Statement on the lines suggested above. It will certainly serve a useful purpose, for it will enable everyone, who turns to it, to see that our real revenue is only 52 millions sterling and not 73 millions !

My Lord, I welcome with sincere satisfaction the grant of 30 lakhs of rupees which the Hon'ble Member places at the disposal of the Local Governments during the coming year for assisting Municipal Bodies in undertaking works of sanitary improvement. The Hon'ble Member promises to make the grant an annual one and considering the great importance of the principle which underlies it, I am sure the country will warmly appreciate the fact that a beginning in this direction has been made, in a year when the difficulties caused by famine might easily have dissuaded the Hon'ble Member from undertaking a new expenditure. Thirty lakhs a year is no doubt a small sum, compared with the vastness of the object to which it is to be applied, but now that the principle has been recognised and a beginning made, I am not without hope that the amount may be increased when the present famine conditions pass away and normal times return. Even as it stands, the grant marks a substantial improvement on the existing situation, as may be seen from the following

figures which I have been able to obtain through the courtesy of the Hon'ble Sir Harvey Adamson. These figures show the amounts contributed by the several Governments out of Provincial revenues as grants-in-aid to Municipalities towards capital outlay on drainage and water-works during the last five years, *i.e.*, from 1902-1903 to 1906-1907 :—

Province.			Total amount in rupees in five years.	
Madras	...	...	...	6,47,000 (exclusive of 3 lakhs given to the city of Madras.)
Bombay	...	...	...	nil.
Bengal	...	...	...	1,05,400
United Provinces	...	...	...	5,68,235
Punjab	...	...	...	2,35,000
Burma	...	...	...	1,58,000
Eastern Bengal and Assam	...	...	...	14,000
Central Provinces	...	...	...	41,000
North-West Frontier Province	...	...	...	nil.
Total for all the Provinces in five years			...	17,68,635

This gives us an annual average of  $3\frac{1}{2}$  lakhs a year for the whole country, and contrasted with it the Hon'ble Member's 30 lakhs a year is almost a liberal provision! It may be noted that during these same five years, while the Government contributed a mere pittance of  $17\frac{1}{2}$  lakhs towards the sanitation of our towns, which are being decimated by annual visitations of the plague, His Excellency the Commander-in-Chief was able to obtain for military charges a sum of about 27 crores above the level of the military expenditure of 1901-1902; and nearly 60 crores were spent as capital outlay on railways, of which one-third, or over 19 crores, was found out of current revenues. My Lord, this treatment of sanitation, as though the Government had no responsibility in regard to it, has hitherto been one of the most melancholy features of the present scheme of financial decentralisation, under which sanitation has been made over to local

bodies as their concern, though they have admittedly no resources for undertaking large projects of improvement. The analogy of England is often quoted to justify this arrangement, though on the same analogy our railway construction should have been left to private enterprise, but it is not. My Lord, our mortality statistics are ghastly reading. The officially recorded death-rate has steadily increased during the last 20 years from 28 per thousand to over 36 per thousand. It was about 28 during the first quinquennium, 1886-1890; from that it advanced to nearly 30 during the second quinquennium, 1891-1895; from there to 32·5 in the third quinquennium, 1896-1900; and from that to 33·5 in the fourth, 1901-1905. For the year 1905—the last year for which figures are available—it was 36·14, being even higher than for the year 1897, when the country was devastated by one of the greatest famines of the last century. It is significant that during this same period of 20 years, England has succeeded in bringing down her death-rate from 20 to 15·5 per thousand. Again, taking only our urban areas, we find that the rise in the death-rate from 1893—the year immediately preceding the appearance of plague in the country—to 1905 has been from 36·5 to 41·7. Last year His Majesty the King-Emperor was pleased to send a gracious message to the people of this country sympathising with them in their sufferings from plague. Your Excellency, too, made a most feeling reference to the ravages of plague in the course of your last budget speech. My Lord, may we not hope that the Government will in future show a greater recognition of the claims of sanitation on the resources of the State than it has done in the past, as no real improvement in public health is to be expected, unless vigorous efforts are made throughout the country to push on sanitation. Three years ago I urged in this Council that at least one million sterling a year should be provided by the Government to assist Municipal bodies in the construction of drainage and water-works. I earnestly trust that the amount will be forthcoming before long. It is really a modest demand, considering the interests involved and considering also the requirements of the situation.

In this connection it is a matter of deep regret to me that I cannot persuade the Hon'ble Member to see the reasonableness of my suggestion as regards the utilisation of our surpluses—at least of a portion of them—for promoting sanitation. I do not propose to repeat to-day my arguments in favour of such a course, as I have urged them again and again in this Council with, perhaps, wearying iteration. But there is one misapprehension of the Hon'ble Member about which it is necessary to say a word. He thinks that as a surplus is in the nature of a windfall and entirely uncertain, to make allotments out of it towards sanitary projects would involve wastage, as works may have to be stopped after being undertaken, if one surplus is not followed by another surplus; and he says that this would be unsound finance. I do not, however, see why there need be any stoppage of works or any wastage. My proposal would work as follows:—Suppose there is a surplus of 2 millions one year and suppose it is decided to devote it to sanitary improvements. The different Provincial Governments will receive allotments out of it, which they will temporarily hold as part of the Provincial balances. They will have before them a programme of sanitary projects and they will offer assistance out of the allotment to such of them as appear to them to be the most urgent. It should be laid down that no assistance should be offered unless the whole of the money required to meet the liability is there in the balances or can be provided partly out of the allotment and partly out of Provincial revenues. When a second surplus is realised and fresh allotments are received, other projects can be taken up for assistance in the same way. If there is no surplus to allot, no harm is done. These surplus allotments may be in addition to the regular annual grant. I do not see what is there that is unsound in such a course. On the other hand, I cannot help regarding the present practice of devoting surpluses to railway construction—which means investing them as unjust to the tax-payers and wholly indefensible. What will the Hon'ble Member think of a man, who, while his children are sickening and dying, neglects to improve the sanitation of his house and uses whatever money he



can spare out of his income for purposes of investment? And yet this is precisely what the Government of India has been doing all these years. Our railways, on which already 400 crores of rupees have been expended, rest on a commercial basis. They are remunerative as a commercial undertaking and they should be constructed only out of borrowings. Surpluses are so much more revenue taken from the people than was necessary for the requirements of the Government. As it is not possible to return a surplus directly to the people, it should be spent in meeting non-recurring expenditure most urgently needed for their welfare. Such expenditure to-day in this country is expenditure on sanitary improvements. The Hon'ble Member proposes to devote to railway construction a sum of  $1\frac{3}{4}$  million sterling out of cash balances during the coming year. This raises the question whether there should not be a definite limit to cash balances. If in fat years larger cash balances that are really required are to be built up out of current revenues and in lean years they are to be drawn upon for railway construction, it really means finding money for capital outlay on railways out of proceeds of taxation, whether the years be fat or lean. The question was carefully considered by the Government of Lord Northbrook, and the conclusion arrived at was that  $13\frac{1}{2}$  crores should suffice as cash balances. Since then Burma has been added and the normal level of expenditure has also risen considerably. Still cash balances, ranging between 25 and 30 crores, appear to be unnecessarily large and may, I think, be brought down to a lower level.

My Lord, I think the country has a right to complain that the conclusion of the Anglo-Russian Convention, which has been acclaimed by its authors as a great triumph of diplomacy, has made no difference whatever to the people of India, so far as the weight of military charges is concerned. It is true that certain lapsed grants have not been restored to the military budget this year, but that is owing to the difficulties occasioned by the famine and, moreover, they only mean a slight postponement of certain items of expenditure. Two years ago, when I urged a reduction of military expenditure in this Council in view

of Russia's collapse in the Russo-Japanese War and the conclusion of the Anglo-Japanese Alliance, Your Lordship observed :—

Recent events may at first sight appear to justify much of what the Hon'ble Mr. Gokhale has said. Russia's reverses in the Far East and our alliance with Japan undoubtedly, at the present moment, minimise the dangers of our Indian frontier; but I am afraid I cannot follow the Hon'ble Mr. Gokhale in his conclusion that these dangers have disappeared for ever. He has told us that the tide of European aggression in China has been rolled back for good, that the power of Russia has been broken and that her prestige in Asia has gone. I am afraid these are mere assumptions which I can hardly accept. I am afraid I feel much more impelled to consider what effect Russian reverses may have on the pride of a high spirited military race and I wonder in how long or in how short a time she may feel confident of recovering her lost prestige.

Well, this time it is an agreement with Russia herself that has been concluded and now at any rate there is no justification for regarding Russian aggression on the North-West frontier as anything else than a mere remote possibility. But now I fear another ground is being taken, namely, that in view of the unrest prevailing in the country and the tendencies of thought and utterance among a section of the people, it is not desirable to touch the military expenditure of India. My Lord, all I can say is that such a view of the situation is most unjust to the vast bulk of the tax-paying community in the country. No doubt it is the case all over the world that when military charges have been once allowed to grow, it is extremely hard to get them reduced again. In India, in addition to this general difficulty, there are special difficulties connected with the exceptional nature of the situation. But the general satisfaction that will result from a reduction of our overgrown military expenditure is an important consideration. On the other hand, the retention of the present level of charges, in spite of the Anglo-Russian Agreement will probably tend to strengthen those very tendencies which are alleged to stand in the way of a diminution of the country's burdens.

There is one more point that I would like to urge about our financial administration before I close. I think it is necessary that a larger portion of our revenues than

at present should be devoted to objects on which the moral and material well-being of the mass of our people ultimately depends. The expenditure on the Army, the Police and similar services may be necessary, but it is a necessary evil, and consistently with the maintenance of a proper standard of efficiency, it must be kept down as far as possible. On the other hand, no State, especially in these days, can expend too much on an object like education. And here, my Lord, I regret to say that the Government is not doing its duty by the people of India. Everywhere else throughout the world the State now accepts it as a sacred obligation resting on it to provide for the free and compulsory education of its children. The Gaekwar of Baroda has recently adopted measures to make the provision for his subjects. What every civilised Government provides for its people, what the Gaekwar is providing in his State, the Government of India must surely provide for the people of British territories. There is no escape from so obvious a duty and every day's delay is a wrong to the people. We sometimes hear it said that it will be impossible to find money for so vast an undertaking. My Lord, it is not true. The money is there for whatever developments may take place immediately and it can be found without difficulty as we go along, if the burden is distributed over a number of years and the task taken in hand in a resolute spirit. The Hon'ble Mr. Baker makes an interesting observation in one of the paragraphs dealing with famine, which throws a flood of light on this point. He says that the loss to the exchequer of the Government of India—apart from the losses of the Provincial Governments—from this year's famine has been estimated at 3 crores during the year about to close and at 3½ crores in the coming year. As there has been a small surplus in the accounts of the Government of India this year and as the Hon'ble Member has budgeted for another surplus for the coming year, his estimate should carry conviction to the most sceptical mind. My Lord, I repeat, the money is there or can be found without difficulty. Only the will has to be there and then we shall not be found merely discussing the difficulties of the problem. Then there is the question of technical and

industrial education. Half a million sterling for initial equipment and about five lakhs a year for maintenance charges should give the country an Institute of Technology, almost fit to be included among the great institutions of the world. And the expenditure will return tenfold to the State not only in the advance of technical and industrial education in the country, but also in the appreciation and enthusiasm of the people. I have already spoken of the needs of sanitation. Lastly there is the vast problem of agricultural indebtedness. Here, except perhaps for initial experiments, the money for any scheme of relief that may be adopted—if one ever is adopted—will have to be out of loan funds, and there is ample margin for borrowing for such a purpose, as our Ordinary Debt now stands at only about 37 million sterling.

My Lord, we are passing through very anxious times. How we shall emerge from this crisis, when it is over, is a question that is occupying all earnest minds in the country to-day, almost to the exclusion of any other question. There is much in our present situation that is naturally galling to proud and sensitive spirits, and young men, fresh from their books, are coming forward on every side to ask why things need be as they are. As yet they have not permitted themselves to imagine that their interests do not lie on the side of order. But, sooner or later, mere order is bound to appear irksome to those who zealously cultivate the belief that there is no chance of better days for their country as long as existing arrangements continue. They will, no doubt, discover before long the limitations of their position. They may even come to recognise that life is not always like writing on a clean slate, and that, in the peculiar circumstances of India, they must range themselves, in spite of the humiliations of the situation, in their own best interests, on the side of order, for without its unquestioned continuance no real progress for their country is possible. My Lord, many things have happened during the last three years which have had the effect of swelling the ranks of these men. Even the feeling of love and reverence, with which, as a

great teacher, the philosopher-statesman at the India Office was regarded by successive generations of educated Indians and which was really an asset of value to British rule when he took charge, has helped to add to the difficulties of the situation. That feeling has given way to a sense of irritation and disappointment, because Mr. Morley has on occasions used language which has wounded and has sanctioned measures which have bewildered and amazed. And though those among us, who have not made sufficient allowances for Mr. Morley's difficulties, will in the end regret the harsh things they have said of him, he certainly for the time has lost the power of arresting the rapid decline of my countrymen's faith in England's mission in this country. My Lord, the Government will no doubt put down—indeed, it must put down—all disorder with a firm hand. But what the situation really requires is not the policeman's baton or the soldier's bayonet, but the statesman's insight, wisdom and courage. The people must be enabled to feel that *their* interests are, if not the only consideration, at any rate the main consideration that weighs with the Government, and this can only be brought about by a radical change in the spirit of the administration. Whatever reforms are taken in hand let them be dealt with frankly and generously. And, my Lord, let not the words 'too late' be written on every one of them. For while the Government stands considering—hesitating, receding, debating within itself 'to grant or not to grant, that is the question'—opportunities rush past it which can never be recalled. And the moving finger writes and having writ, moves on !]

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## BUDGET SPEECH, 1909.

*[The following speech was delivered in the Imperial Legislative Council on the 29th March 1909 on the Financial Statement for 1909-10 presented by the Hon. Sir Guy Fleetwood Wilson. Lord Minto was in the chair. This was the last year of the old order, under which the Budget debate was the one occasion in the year available to Non-official Members to bring to the notice of the Government questions connected with the general administration of the country.]*

My Lord, the Hon'ble Member is entitled to the fullest sympathy of this Council and of the country in the difficult task with which he finds himself confronted at the very commencement of his tenure of office as Finance Minister of India. After a succession of surpluses, extending over ten consecutive years, we have come, suddenly and almost without warning, to a year of a heavy deficit, and this abrupt change is accompanied by an uncertainty about the future, which aggravates the anxieties of the situation. It is true the Hon'ble Member estimates, on the assumption of a normal season, a revenue for next year fully equal to its requirements, and he even budgets for a small surplus. But reading between the lines of his statement, one cannot help feeling that he regards the prospect before him with considerable uneasiness. The Hon'ble Member bases his figures of revenue on a normal season, though such estimating is, in his opinion, 'largely a gamble in rain.' The grave depression in trade, which has so seriously reduced our railway receipts during the current year, and which, as the Hon'ble Member says, is not local or peculiar to India, but is, 'one of those great reactions which periodically affect the whole civilised world,' has not yet passed away, and yet the Hon'ble Member takes for railway earnings a figure  $2\frac{1}{2}$  millions above that of the current year, thus placing our railway activity during next year 'where it would have been in 1908-1909, if conditions had been normal, with a small

extra margin for the increased mileage.' Finally the Hon'ble Member uses significant language when he says :—

I have no desire to minimise the difficulties, which it would be folly to ignore, attaching to Currency and Exchange, to the present position of the Gold Standard Reserve, and the weakness of our cash balances.

I doubt, therefore, if the Hon'ble Member himself feels much confidence in the estimates which he has laid before the Council, and I think that the position of equilibrium, for which he has budgeted, indicates more a suspension of judgment on his part than a reasonably confident anticipation of next year's revenue and expenditure.

My Lord, a deficit of  $3\frac{3}{4}$  millions sterling or over  $5\frac{1}{2}$  crores of rupees is the heaviest deficit we have had in any year during the last fifty years. And only once during the period has it exceeded 3 millions. That was in the year 1897, when the country was devastated by one of the greatest famines of the last century and when in addition there were prolonged military operations on the North-West frontier—the famine costing in direct relief  $3\frac{1}{2}$  millions, and the military operations  $2\frac{1}{2}$  millions, and the accounts showing a deficit of  $3\frac{1}{2}$  millions. It is, however, necessary to remember that the current year's deficit includes a sum of £725,300 under railway charges, which should not be charged against revenue at all, being the portion of the annuity payments devoted to redemption of capital. The exclusion of this sum reduces the deficit from  $3\frac{3}{4}$  millions to 3 millions. Even so, it is a heavy deficit, and, in view of its serious nature, I fear, regret will be expressed in some quarters—I already notice a tendency in that direction—that the Government should have granted successive remissions of taxation since 1903. I think, therefore, that it will be useful to recall here the extent of these remissions and their true relation to the growth of our revenue in recent years. These remissions have been three reductions of the salt-duty, each by 8 annas a maund, reducing the duty altogether from Rs. 2-8 annas to Re. 1 a maund, the exemption from income-tax of

incomes between Rs. 500 and Rs. 1,000 a year, the abolition of famine cesses in Northern India, and the abolition of certain local taxes on land in several Provinces. The total relief granted to the tax-payers by these various measures has been a little over four millions a year. Now, to understand correctly the real bearing of these remissions on the general financial situation, it is necessary to glance briefly at the history of our finances since 1885. The first eleven years of this period were a time of extreme stress and anxiety for the Finance Minister, owing mainly to the fall in the exchange value of the rupee, which declined rapidly from over 19*d.* to about 13*d.*, while at the same time military expenditure was rising and the opium revenue going down. The Government met the difficulties of the situation by heavy and continuous additions to the taxation of the country, adhering rigorously to the canon of finance that the year's expenditure should come out of the year's revenues. The lowest point touched by exchange was in 1894-95, when it stood at 13*d.* to the rupee. And yet by raising the level of taxation high enough, the Government were able to realise even in that year a surplus of 70 lakhs of rupees. From that point onwards, exchange again rose steadily owing to the currency legislation of 1893, till at last in 1899-1900 it established itself firmly in the vicinity of 1*s.* 4*d.* And when, three years later, the first remission of taxation was granted, the position was this:—The rupee had risen from 13*d.* to 16*d.*; there had also been a considerable increase of revenue under most of the principal heads; but the level of taxation still stood where it had been pushed up when the rupee had fallen to 13*d.* Now a rise in exchange from 13*d.* to 16*d.* meant a saving of 3½ millions sterling in the cost of remittances to England necessary to meet the Home charges, taking these charges even at the lower figure of 1894-95. And this saving the Government were morally bound to return to the tax-payers, however they dealt with the general increase of revenue that had accrued. As the various remissions put together have amounted to about 4 millions a year, it is clear that the relief granted to the tax-payers during the last six years has not materially



exceeded the saving effected in the cost of Home remittances by an artificial appreciation of the rupee. It may be noted that in spite of these remissions of 4 millions a year, the revenue to-day is higher than it was six years ago, the receipts under the principal heads for the current year being over 49 millions as against 45·6 millions for 1902-03, the year immediately preceding the first reduction of taxation.

My Lord, the year about to close has been a famine year, and it is instructive to compare it with the year of the last great famine—1900-01. That famine was admittedly one of the severest, as it was the most extensive of any that have been known in India, and it cost over 4 millions in direct relief. This year's famine, on the other hand, was confined mainly to the United Provinces and the cost of relief has been only a million. The revenue under the principal heads for 1900-01 was 43·6 millions; that for the current year, in spite of the remissions of taxation granted in the interval, was over 49 millions. (The latter figure includes the revenue for Berar, which the former does not, but the former includes the proceeds of local rates, which are excluded from the latter.) In 1900-01, there was a saving in military charges owing to the absence of a portion of the troops in South Africa, against which may be set the windfall under opium during the current year. Under Railways there was a small net revenue of about  $\frac{1}{3}$  million in 1900-01 as against the loss in this year's Revised Estimates of a little under  $\frac{1}{2}$  million. The Government thus had in 1900-01 a smaller revenue and had to incur a much larger expenditure on famine relief than during the current year, and yet in the former year they were able to show a surplus of 1·7 millions, whereas in the latter they have a deficit of 3 millions, exclusive of the sum devoted to the redemption of railway capital. This shows the extent to which the ordinary expenditure of the country has grown during the last eight years. Of course a good part of this increased expenditure has been devoted to most worthy objects, such as extension of education, improvement of agriculture, police reform, grants to District Boards, grants for

sanitation, and so forth. But there is also no doubt that a portion of the increase has been due to the fact that money was available and the need for economy was not obvious. The scales of pay, for instance, of the superior grades in most departments have been augmented during the last few years. And in this connection I cannot help recalling the vigorous language used by His Honour Sir Edward Baker two years ago in speaking of the pressure constantly brought to bear on the Finance Department in the matter.

I have now been, said His Honour, connected with the Finance Department of the Government of India for five years continuously, and during that period I do not believe that a single day has passed on which I have not been called upon officially to assent to an increase of pay of some appointment or group of appointments, to the re-organisation of some Department or to an augmentation of their numbers. All experience proves that where revision is needed, either of strength or emoluments, the Local Governments and the Heads of Departments are only too ready in bringing it forward. Nor are the members of the various services at all backward in urging their own claims.

I am glad the Hon'ble Member proposes to enforce a policy of strict retrenchment in all directions. If he succeeds in doing so to any appreciable extent, the present deficit will have proved a blessing in disguise! One feature of the present financial situation, to which attention may be drawn, is the greater extent of the reliance which is now placed on net railway revenue to meet the ordinary recurring expenditure of the country. Our railways, after causing a net loss to the country year after year for half a century—amounting in all to more than fifty crores—began to show a small profit nine years ago. And during the last four years, this profit reached the high average of about three crores a year. Unfortunately they have failed us somewhat suddenly this year, and I fear it will be necessary to regard this source of revenue with a certain amount of distrust in the future.

My Lord, the Hon'ble Member has adopted, if I may presume to say so, an entirely wise course in budgetting for a position of equilibrium for next year in spite of the heavy deficit of the current year. We all hope with him

that the next season will be a normal one and that the depression in trade will soon pass away. We hope also that no new clouds will gather on the horizon. There is no doubt that in ordinary circumstances and in the absence of any special disturbing factors the financial position of the country is a strong one. And by this time next year, we shall be in a better position to judge whether the causes that have brought about the present disturbance are temporary or will continue longer in operation. I must, however, confess, my Lord, that the continued prevalence of high prices in all parts of the country appears to me to be an element of considerable anxiety in the present situation. Last year, in the course of the budget debate, I ventured to express my apprehensions on this subject, and further consideration has only strengthened those apprehensions. I think the quantitative theory of money holds good much more in the case of a backward country like India than in those of more advanced countries. Variations in the prices of individual commodities may be due to variations in the demand for them or in their supply. But a more or less general rise of prices can only point to a disturbance of the currency. Such rise need not be uniform in the case of all commodities, for, in the view which I am stating, prices are a function of three variables—currency, demand and supply, and any general rise resulting from a disturbance of the currency may be modified in particular cases by one or both of the other two factors. The whole question requires a close and immediate investigation by a competent body of men, and I sincerely trust the Government have made up their mind to direct such an enquiry. The experience we have had this year of the Gold Standard Reserve must lead many of us to revise our ideas on that subject. The Government are being urged on all sides to build up a strong reserve, but we seem to stand in this matter on the horns of a dilemma. If the mints continue idle, as at present, and no new rupees are coined, there will be no coinage profits and therefore no additions to the Gold Standard Reserve. On the other hand, if new rupees are coined, they will, I fear, tend to raise prices still higher in the country. And this will discourage exports and stimu-

late imports, and will exercise an adverse influence on our balance of trade. It has been urged in defence of the heavy coinage of rupees in recent years that they were issued solely to meet the demands of trade. The course adopted does not, however, seem to be justified by the results. It is important to remember that the Fowler Committee had expressed itself strongly and clearly against such new coinage until a sufficient quantity of gold was in circulation in the country.

The Government, they wrote, should continue to give rupees for gold, but fresh rupees should not be coined until the proportion of gold in the currency is found to exceed the requirements of the public.

It seems to me that the only way now out of our difficulties is to follow the example of France and the United States, and while admitting the rupees to unlimited tender, stop the coinage of new rupees and coin gold pieces instead. Of course I express this opinion with great diffidence, for there are serious considerations on the other side and the whole subject is enveloped in great obscurity. But I fear that the present half-way house will not do, and unless we place our currency on an automatic and self-adjusting basis, the clouds that are already overhead will thicken and not roll away.

My Lord, I am sincerely pleased that as a result of this year's deficit, the special military grant of two millions a year, which has been placed at the disposal of His Excellency the Commander-in-Chief for the last four years for his Re-organisation Scheme, will be abolished from next year. The relief afforded by the abolition to the finances is no doubt, more apparent than real, for already in its place there is a permanent increase of expenditure of  $1\frac{1}{2}$  millions a year—£ 655,100 as the permanent charge left behind by His Excellency's completed special measures, and £ 813,300 for increased payments to the War Office and for increase of pay and allowances to Indian troops—with an indefinite liability to find, as before 1904, whatever extra sums the military authorities may demand for 'indispensable' special measures.' Still it is a matter for satisfaction that this fixed, heavy burden

which we have borne for four years, is for the present at any rate off our shoulders. It is somewhat disappointing that of the  $8\frac{1}{4}$  millions spent out of the special grant since 1904, only about  $3\frac{2}{3}$  millions have been expended on measures included in His Excellency's original programme. It was expected that as a result of the completion of that programme there would ultimately be a saving in the military expenditure of the country. That expectation, I fear, will not now be realised, if only one-third of the scheme has so far been carried out. The increase, in the payment to the War Office, of £300,000 a year is regarded throughout the country as an unjust addition to our burdens and is deeply resented. It is understood that the Government of India protested strongly against this fresh imposition and the best thanks of the country are due to the Government for this. On the other hand the increase in the pay of Indian troops was quite necessary and has been received with sincere pleasure by all classes of the people.

I have several times expressed my views on Railway finance in this Council and I will therefore make only a passing reference to that subject to-day. The Government propose to spend £10 millions next year as Capital outlay on Railways. Notwithstanding what has happened this year, I trust our Railways have now established their character as a commercial success. That being so, as a mere matter of finance—apart from questions such as the relative importance of Railways and Irrigation—there can be no objection to the Government spending whatever amount they think desirable on railway construction, provided they raise the whole of that amount strictly by borrowing. This year's experience no doubt emphasises the need for caution even in railway constructing out of borrowings, but I do not wish to dwell on that aspect of the question. The Government, however, have not in the past been satisfied with merely devoting loan-funds to railways. They have in addition drawn on every other available resource for the purpose, and thus, during the last few years, large surpluses, arising out of current revenues, which might have been devoted, with the utmost benefit to the people, to meeting non-recurring expenditure

in connection with primary education, technical education, sanitation, and such other needs of the country, have been swallowed up by this eternal, unending, insatiable railway construction! Year after year I have complained of this misapplication of our surpluses in this Council but without avail. Two years ago it did appear as though Sir Edward Baker might move a little from his position in the matter, but last year he decisively closed the discussion, so far as he was concerned, by declaring that 'the Hon'ble Member and the Government are irreconcilably divided and can only agree to differ.' My Lord, I mention these things in the hope that my contention might meet with a better reception at the hands of the new Finance Member. Our finance is the finance of a poor country, whose resources are small and whose needs in several directions are pressing and various. It is true that the application of a portion of our revenues to Railway construction leads to a corresponding reduction of our unproductive debt, but that should be no object with the Government, seeing what a mere trifle that debt is, being only about £ 37 millions sterling. The present year is a year of a deficit, but the Hon'ble Member includes the small surplus, for which he budgets for next year, among the ways and means of meeting capital expenditure. This means that even if the expected surplus is not realised, the estimated amount will be devoted to railway construction out of cash balances. Again, as I have already pointed out, this year's deficit includes a sum of  $\frac{3}{4}$  million under Railway charges, which represents the portion of annuity payments devoted to the redemption of capital. Thus our surpluses, whenever they are realised, are to go to railway construction, and in addition to that, a sum of  $\frac{3}{4}$  million a year out of current revenues is to be devoted to the redemption of railway capital! My Lord, I protest respectfully but with all the emphasis at my command against this policy. It is, in the circumstances of India, unjust and unjustifiable, and even from the standpoint of sound financial administration, it is wholly unnecessary.

My Lord, this is probably the last budget debate at which observations of a general character, unconnected

with questions of finance, will be permitted, and I would like to say a few words on the situation in the country generally before bringing my remarks to a close. The acute anxieties of the last year are now happily over, and the situation has undergone during the last three months a change so striking and decisive that it is almost difficult to recall the crisis through which we have passed. When the Council closed its last Calcutta session twelve months ago, there was in the air a feeling of vague uneasiness as at some impending disaster. And the country was soon startled and shocked by the appearance of anarchists on the scene. It is true their numbers were utterly insignificant, but the danger was that for a time at any rate the more reckless and irresponsible spirits in the country would think more of the daring of these misguided young men than of the wicked and detestable character of their outrages. With such a danger confronting them, the Government could not afford to sit idle or lose time. But the drastic measures of repression which they found themselves driven to adopt, both to prevent the spread of general disorder and to strike at the root of political crime, deepened still further the gloom of the situation and added to the prevailing feeling of despair in the country. It was indeed a time of grave anxiety, for large numbers of young men were daily drifting away farther and farther from their allegiance to British rule, and the whole conception of one's duty to the country was undergoing a rapid change in superficial minds. Happily, at this critical juncture, the courage and statesmanship of Your Lordship's Government and of the Secretary of State came to our rescue, and the announcement of a large and generous scheme of reforms in December last at once acted like a charm, and eased the tension of the situation. And to-day the position, in spite of its undoubted difficulties, is actually clearer and stronger than it has been for many years past. A new hope is gladdening the hearts of the people, and though certain causes of soreness exist, the minds of the educated classes are steadily reverting to their old faith in the higher purpose and character of British rule. The appreciation of the supreme importance of order for purposes of real progress

is all the deeper and more distinct for having experienced the shock and horror of recent outrages. And on every side there are indications that a period of closer and more cordial relations between the authorities and the people is about to begin.

My Lord, I have said that certain causes of soreness still exist. Of these one of the most serious is the deportation of nine Bengali gentlemen under the Regulation of 1818 in December last. I have no wish to go on the present occasion into the general objections that may reasonably be urged against a resort to the extraordinary powers conferred by the Regulation. Those objections are well understood and there is no satisfactory answer to them. I feel bound, however, to say one thing. In the course of a recent debate in the House of Commons on the subject, the Under-Secretary of State for India stated that these nine men had been deported because it was believed that among them were 'some leading instigators of crime.' It is true that Mr. Buchanan did not say that every one of the nine gentlemen was a leading instigator of crime. But as none of them was expressly excluded from the description and as all nine have been deported, the suspicion of being an instigator of crime must attach to each one of them. Now two of these nine men I know very well personally—Babu Krishna Kumar Mitter and Babu Aswini Kumar Dutt. They are undoubtedly persons of the highest character and deep piety, and it is incredible that either of them can have been even most remotely connected with crime. I recognise that, in times of grave emergency, the Government have to decide quickly and act promptly, taking all risks—even the risk of being in the wrong. But it is now more than three months since the deportations took place. The situation throughout the country is rapidly improving. May we not hope that the Government will now reconsider this matter and take the earliest opportunity to restore these men to their homes? It will be an act of bare justice to the individuals and will give great satisfaction throughout the country.



My Lord, certain provisions of the reform scheme have, as the Council knows, evoked keen and even excited controversy. Of these, the greatest opposition has been naturally encountered by the proposal to appoint an Indian member to Your Lordship's Executive Council. The question, however, is now laid at rest by the announcement made five days ago that His Majesty the King-Emperor has been pleased to approve the appointment of Mr. S. P. Sinha to succeed Sir Earle Richards as Law Member of the Council. My Lord, the day when this announcement was made will always be remembered as a red letter day in the history of British rule in India. A momentous step has been taken and a most signal vindication offered to the people of this country of the noble pledges contained in the late Queen's gracious Proclamation. I am confident that the Government will have no cause to regret what they have done. The trust and courage which they have displayed will be repaid a hundredfold in the new ties of attachment and gratitude which will bind the country to British rule, and the administration will be all the stronger for coming closer to the hearts of the people. The opposition to Clause III of the new Reform Bill has come principally from certain retired administrators and civilians, whose connection with India terminated some time ago and who have not been in touch with the rapid changes of thought and sentiment which have taken place in the country during the last three years. Now that the tension has relaxed, these gentlemen would evidently like to part with as little real power as possible, and they have not hesitated to get the clause rejected by the House of Lords in the face of the opinion of the Government of India and the Secretary of State. Their action has caused deep and widespread disappointment throughout the country, for there is no doubt that administration by a Council is a higher form of Government than a single man rule, and the proposed change is needed to meet satisfactorily the altered requirements of the situation. There is room yet for the hope that the clause will in the end be restored after all, and it will be worse than unfortunate if this hope is not realised, for that will mean that the proposed scheme of reform has been put back in a most important

particular. The third question connected with the reforms, round which controversy has raged for sometime, is that of Mahomedan representation. As this question is arousing a considerable amount of feeling in the country, I would like to state briefly my own view of the matter. That view is practically the same as that of the Government of India, and I have embodied it in the note which I had the honour to submit to the Secretary of State last September on the subject of constitutional reforms. I think the most reasonable plan is first to throw open a substantial minimum of seats to election on a territorial basis, in which all qualified to vote should take part without distinction of race or creed. And then supplementary elections should be held for minorities which numerically or otherwise are important enough to need special representation, and these should be confined to members of the minorities only. What minorities in the different Provinces should have special representation and how many seats should be assigned to each minority must depend upon the special circumstances of each Province. It will not do to be guided in the matter by a strict regard for numbers only; for it may be necessary at times to give special representation to a minority so small as not to be entitled even to a single member on a strict numerical basis. This was practically the plan advocated by the Government of India in their despatch, as I understand it, and now that the idea of joint Electoral Colleges has been abandoned, I earnestly trust that it will be carried out. The great advantage of this plan is that it provides for composite action by all communities up to a certain point, and then it prevents injustice, in practical operation, to minorities by giving them special supplementary electorates of their own. My Lord, it has been urged by some of my countrymen that any special separate treatment of minorities militates against the idea of the union of all communities in public matters. Such union is no doubt the goal towards which we have to strive, but it cannot be denied that it does not exist in the country to-day, and it is no use proceeding as though it existed when in reality it does not. Not only this, but unless the feeling of soreness in the minds of minorities is removed

by special separate supplementary treatment such as is proposed by the Government of India, the advance towards a real union will be retarded rather than promoted. One thing, however, must here be said. The idea of two watertight compartments for Hindus and Mahomedans separately will not promote the best interests of the country, and moreover it is really not feasible. For there cannot be only two such compartments, unless all minorities other than Mahomedan are to be joined to the Hindus, in which case the division will practically be Mahomedans and non-Mahomedans. Further, where only one member is to be returned by a whole province, as in the case of landholders or the non-official members of some of the Provincial Councils, any division of those who are qualified to vote into two or more groups becomes impossible. The objection has been raised that, under the plan of the Government of India, members of minorities will vote in general election as also in their own supplementary election. But the matter must be looked at in a large way and in a practical spirit. The aim is not to secure a scientific accuracy of method, but to obtain substantially just and satisfactory results. Let it be remembered that a member more or less for either the Hindus or the Mahomedans does not really much matter. The existence of the Government is not to depend upon the votes of non-official members, neither are its members to be drawn from those who are in a majority in the Councils. Let it also be remembered that the most important part of the proposed reform of Legislative Councils is the power that will be conferred on members to raise discussions on administrative questions in the Council, and for this purpose the exact proportion of members returned by any community is a matter of small importance. My Lord, I respectfully suggest that the Government should take an early opportunity to make a clear and firm declaration on this subject, calculated to allay apprehensions and give reasonable satisfaction to all parties. It is necessary that the new arrangements should be inaugurated with the utmost goodwill from all sections of the people. I earnestly appeal to my countrymen—both Hindu and Mahomedan—to exercise special mutual forbearance at

this juncture and meet each other half way. We owe this to ourselves and to our country's future; we owe it also to those who are granting us these important measures of reform.

My Lord, in this connection, may I offer a word of personal explanation on this occasion? I see from the papers that have arrived by the last English mail that the note on constitutional reforms, which I submitted to the Secretary of State in September last, and to which I have already referred here to-day, has come in for a good deal of comment in England. Now, what I want to say about that note is this. There was nothing surreptitious or private about it. It was submitted by me to the Secretary of State for India in my capacity as a representative of the Bombay Presidency Association, publicly deputed by that body to proceed to England and lay their views before the authorities there on the proposed reforms. The note was only a summary—with very slight modifications, suggested by the discussions I had with a number of public men in England on the subject—of the views which the Association had already laid before the Government of India in an exhaustive memorial and before the Decentralisation Commission in another memorandum. On my return to India, I noticed attempts made in certain quarters to rouse Mahomedan feeling against the reform scheme, as outlined in Lord Morley's despatch, by representing it as a result of Hindu intrigue in London. After a time my name was openly mentioned in that connection. As the line I had taken on the Mahomedan question was practically the same as that of the Government of India, I thought and several of my friends agreed with me in this view that the best way to counteract this mischief, which threatened to grow quite serious, was to publish the views which I had laid before the Secretary of State. Before communicating the note to the Press, however, I sent a copy to Sir Herbert Risley, requesting him to include it, if possible, among any fresh papers on reforms that the Government might issue—a request that he at once and very courteously complied with. I took this course because it was thought necessary in the best interests of our

public life that no room should be left for the allegations of intrigue against Mahomedans, which were being openly and unscrupulously made. There was no thought of suggesting that it was the note that had influenced the Secretary of State in his decision, and no such suggestion has ever been made by me by word or by whisper. As regards the attacks made on the Indian Councils Bill by the opponents of that measure on the score of its supposed connection with my note, they are of course the usual amenities of party warfare in England. All the same, they are most unfair. Any one who reads the despatches carefully will see that nine-tenths of the scheme, even in its final form, is really the Government of India's. And even in the few points in which the Secretary of State has gone beyond the Government of India's proposals, he had strong support of an official character behind him—a support that was bound to be far more influential than a note containing merely the views of a public body in India. Thus we all know that in regard to the appointment of an Indian to the Viceroy's Executive Council, had it not been for Your Lordship's strong personal interest in the matter, that reform would never have come. As regards Provincial Executive Councils, it is really the Decentralisation Commission that has pushed the question to the front. And in the remaining matters, it is known that the Secretary of State has acted on the recommendations of Lord Macdonnell and his colleagues on the Special Committee. It is true that some of the reforms, which Indian public men have from time to time been advocating, have found a place in the scheme finally adopted by Government. But that only shows that our proposals were not so very unreasonable after all, and that when they come to be officially examined in a serious spirit, they were found to be quite practicable. The fact is that the path of constitutional reform in India is really extremely narrow, and those who want to advance along that path have no choice but to have in view more or less the same stages and almost the same steps. To safeguard the essential elements of British supremacy, to associate the people of the country more largely with the administration of their affairs, and to do this cautiously, impartially

and, at the same time, in accordance with ideas and aspirations which Western education has fostered in the land—these factors of the problem do not leave a wide margin for differences of opinion except in regard to minor details. Of course, those who do not want to advance do differ fundamentally from those who do; also among those who want to advance there may be differences of opinion as to how many steps may be taken at a time. But there is not much room for any striking originality or novelty of solution in determining the path. Moreover, the interests involved are too large and too serious to permit of the authorities going in search of originality for mere originality's sake.

These controversies, great and small, will however soon come to an end, and before long they will probably pass out of men's minds. But the reforms that will be inaugurated will remain, and they will open a new and important chapter to the people of this country. As far as one may foresee, the chief characteristic of the next few years will be a greater consideration for public opinion on the part of the authorities, a larger realisation of the difficulties of the administration on the part of the people; and a closer co-operation between the two sides in promoting the moral and material interests of the country. It is idle to expect that, with the introduction of the reforms, all existing misunderstandings between the Government and the people will vanish; and it will be even more idle to imagine that, as time rolls on, no new occasions of friction will arise, or no fresh misunderstandings crop up. But there is no doubt that when the proposed reforms are completed, the administrative arrangements of the country will have been brought into reasonable harmony with the present requirements of the people; and as regards the future, we must be content to let it take care of itself. I think it is safe to say that when, in later times, the eyes of my countrymen turn back to these days, they will see two figures standing apart from the rest. One will be Your Excellency and the other Lord Morley. My Lord, I am at a disadvantage in speaking of Your Lordship in your presence;

but the occasion is exceptional, and I trust the Council will forgive me for any apparent breach of propriety. The country owes a deep debt of gratitude to Your Lordship, both personally and as the head of the Government of India, for these reforms. You had not been many months in the land, before you recognised frankly and publicly that new aspirations were stirring in the hearts of the people, that they were part of a larger movement common to the whole East, and that it was necessary to satisfy them to a reasonable extent by giving the people a larger share in the administration of affairs. And throughout, your purpose in this matter has never wavered. Your Lordship started the first deliberations in your Council on the subject. The tentative proposals published in 1907, which had caused great dissatisfaction, were revised and recast under your own direction, and nine-tenths of the scheme in its final form is that of the Government of India. But this is not all. The throwing open of your Executive Council to Indians—which, in some respects, is the most notable part of the reforms—is principally Your Lordship's work. Serene, clear-sighted, supremely modest, Your Lordship has gone on with the work of reform with noble courage amidst extraordinary difficulties, and I am sure your greatest satisfaction will be that when you lay down the reins of office, you will leave to your successor a task far less anxious than the one you inherited. My Lord, among the many great men who have held office as Governor-General in this country, there are three names which the people cherish above all others—the names of Bentinck, Canning and Ripon. I venture to predict, both as a student of Indian history and as one who has taken some part, however humble, in the public life of the country for the last twenty years, that it is in the company of these Viceroys that Your Lordship's name will go down to posterity in India. Of Lord Morley, I will say only this. It would have been a sad thing for humanity if his tenure of office, as Secretary of State for India, had produced nothing more than deportations and Press laws. One, who has taught so highly, and to whose name such great honour attaches even in distant lands, cannot afford to be 'as other men are—a slave of routine and a victim

of circumstance.' However, his great Liberalism has been amply and strikingly vindicated even in so difficult a position as that of the head of a vast bureaucracy, and the temporary misunderstandings of friends and the unworthy taunts of opponents will not have been borne in vain, when the full results of the present measures of reform show themselves in this country. That passage in his speech in the House of Lords, foreshadowing Mr. Sinha's appointment, with its phrase 'one of the King's equal subjects,' has touched a chord in Indian hearts, which will keep vibrating for some time. It is a passage that will live in the history of this country—in any case it will remain engraved on the hearts of the people. My Lord, I sincerely believe that Your Lordship and Lord Morley have, between you, saved India from drifting towards what cannot be described by any other name than chaos. For, however strong a Government may be, repression never can put down the aspirations of a people and never will.

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## BUDGET SPEECH, 1910.

*[The debate on the Budget for the year 1910-11 took place under the new rules of the Council on 29th March 1910, His Excellency Lord Minto being in the chair. In the course of the debate, Mr. Gokhale made the following speech :—]*

My Lord, when the Tariff Bill was under discussion in this Council last month, I took the opportunity to offer some general criticism on the Financial Statement which had then been laid before us by my Hon'ble friend the Finance Minister. In the course of that criticism, I had ventured to observe that, in my opinion, the estimates of revenue were under certain heads under-estimates. In reply to that, my Hon'ble friend Mr. Meston told us that it was not usual for any one in this Council to question the accuracy of the figures supplied by the Finance Department. My Lord, I confess I was surprised to hear that statement. My Hon'ble friend will pardon me, if I say that my experience of this Council is much longer than his, and it is not only not correct to say that it is unusual to question the accuracy of these figures, but I should go further and say that the reverse of that statement will be the correct one. It is true that during the last four or five years, no occasion has arisen to question the accuracy of the figures supplied by the Finance Department, but if my Hon'ble friend will turn to the debates of this Council between 1902 and 1905, he will find that, every year, a complaint was made that the estimates of revenue were under-estimates. During the time of Sir Edward Law, no answer was received to this complaint, but in 1905, when His Honour Sir Edward Baker became Finance Minister, he took notice of it and admitted its substantial correctness. If the Hon'ble Member will turn to the Financial Statement of 1905-1906, he will find there a paragraph, called 'Comparison of Estimates with Actuals,' in which Sir Edward Baker observes as follows :—

It is sometimes made a reproach against Government that their estimates of revenue and expenditure are wanting in accuracy, and that the actual results, when made up at the end of the year, are apt to differ somewhat widely from those forecasted in the budget at its beginning. Laterly this charge has taken the form of a suggestion that we habitually under-estimate our revenue and over-estimate our expenditure.

Then, after comparing the practice of England and several of the continental countries, Sir Edward Baker goes on to admit that there was much in that charge that was true. He naturally says all that he can in favour of the old practice, and then proceeds :—

I would not, however, be understood to contend that the criticisms to which I have referred are wholly without justification. That would be an over-statement of the case. Even when allowance is made for the disturbing elements to which allusion has been made above, the figures in the statement in paragraph 52 show that during the last three years the revenue has exceeded the estimate by more than these causes fairly explain. This feature probably has its origin in the former uncertainty of sterling exchange. So long as all growth of revenue and the fruits of all retrenchment were liable to be swallowed up by a fall in exchange, it was common prudence to frame the estimates in the most cautious manner, and to take no credit for developments of revenue until they were absolutely assured. When this factor was eliminated, traditions of excessive caution remained, and due allowance was not always made in the estimates for the normal expansion of the growing heads of revenue.

Here, then, is an admission by a former Finance Minister that for a number of years, it was the habitual practice of the Finance Department to under-estimate revenue owing to causes which have been explained by him. My Lord, this is in reality a small matter; but the statement made by the Hon'ble Mr. Meston, if allowed to remain uncontradicted, might cause serious inconvenience hereafter, because objection might again be taken to any suggestion as to under-estimates or over-estimates. I believe my Hon'ble friend mistook what is a rule for the new Council for the practice of this Council in the past. There is undoubtedly a rule among the new rules that in framing resolutions that a member wants to move, the accuracy of the figures supplied by the Finance Department shall not be questioned. That applies, however, only to

resolutions and not to any general criticism of the financial estimates that may be offered.

My Lord, this year's budget has come upon us all as an unpleasant surprise. The feeling is like that of a person who is walking securely on the ground, and, all of a sudden, discovers a yawning gulf before him. After a great number of years—after ten years—of consecutive surpluses, we first came to a year of a heavy deficit, due, as we then understood, to famine. Then there was what appeared to be a normal year, and we have now another normal year in which, however, extra taxation has been imposed on the people. This circumstance, namely, the levying of extra taxation in a normal year, suggests that something is wrong with the financial position of the country, and in any case, it suggests an inquiry. I have given some attention to this question, and I find that the results are such as to cause apprehension. My Lord, for a correct understanding of this question it is necessary to pass under brief review the finances of the ten years from 1898 to 1908, because our series of surpluses began with the year 1898. From that year we had ten consecutive surpluses ending with the year 1908. Let us, therefore, see what were the special features of the financial position during that time, and what use was made of the prosperous finances of those years by the Government. It will be found that there were four distinctive features of this period. The first was that there was a large saving in the cost of the home remittances of the Government, owing to exchange having established itself at the steady rate of 1s. 4d. to the rupee in the year 1898. The second was an improvement in the opium revenue, which, before 1898, had been steadily falling for a number of years. The third was the expansion, the more than average expansion, of the ordinary revenues of the country. And the fourth was an improvement in the railway revenues of the Government. These four causes combined to give the Government large surpluses, and the Government utilised the position in the first place to remit a certain amount of taxation and then to sanction a large amount of increased expenditure in various directions.

I would respectfully invite the Council to consider this matter carefully. It has been said by some critics that the present difficulties of Government have arisen from the fact that during those fat years Government remitted taxation which should not have been remitted. Now, my Lord, I must protest strongly against this view. If the Council will look at the amount of taxation remitted during these ten years, it will find that the total of remissions came to about four millions sterling, or six crores of rupees. But owing to the artificial rise in the rupee, the savings of the Government on their home remittances also had come to about five and a half crores of rupees. What had happened was this. The Government had gone on adding tax after tax in the period preceding the year 1898, so as to secure a balance between revenue and expenditure and even a surplus, no matter what the level of exchange was, and thus even when exchange was at its lowest, as it was in the year 1894, namely, at 13*d.* to the rupee, the Government were able to show not only an equilibrium between revenue and expenditure, but also a small margin as surplus. As the exchange value of the rupee steadily went up, the level of taxation remaining the same, it meant a steadily increasing surplus at the disposal of the Government. By the year 1898 exchange established itself firmly in the vicinity of 16*d.* to the rupee. Now, a rise of 3*d.* in the value of the rupee meant a saving of 5½ crores in the cost of home remittances. Therefore, when the Government of India remitted taxation to the amount of 6 crores, they practically gave back to the tax-payers only what they had saved on their home remittances. The remissions were thus not taken out of their ordinary revenue: they merely represented the savings effected in the cost of the home remittances. We may, therefore, put aside these two items, namely, the savings on the home remittances, and the amount of remissions granted to the people, during the period we are considering. So much for remissions of taxation. Let us now consider the amount of increased expenditure sanctioned in different directions. My Lord, the first six years of this period were a period of 'efficiency' or, as one of my friends has said efficiency

with a capital 'E.' The result was that expenditure was pushed up by leaps and bounds in various directions. A comparison of the expenditure for 1908-09, for which complete figures are available, with the year 1898-99, will reveal certain startling results. It will be found, for instance, that the civil expenditure of the country grew during this period by about 16 crores, including in such expenditure the charges of collection, the salaries and expenses of civil departments, miscellaneous civil charges and civil works. I may mention that from the charges of collection, I omit, for obvious reasons, opium and provincial rates, as also refunds and drawbacks and compensations and assignments. The figures for 1908-09, however, include the expenditure for Berar, whereas those for 1898-99 do not. Even then we find that the increase in civil expenditure comes to about 15 crores, the expenditure having risen from about 29 crores to over 44 crores. My Lord, I venture to think that this is an amazing increase. If the Council will compare this increase with the growth of expenditure during the previous ten years, as also with the five years, 1881 to 1886, the contrast will appear most striking. The Council may remember that in 1886, Lord Dufferin's Government found itself in a position somewhat similar to that which the Government of India occupy to-day. From 1881 to 1885 the country had enjoyed what may be called financial prosperity. There was remission of taxation in consequence and also increased expenditure and the result was that when lean years came in 1886 and the frontier policy of the Government necessitated heavy additional military expenditure, Lord Dufferin found himself driven to appoint a committee to carefully inquire into the growth of expenditure; and one of the reasons adduced for the appointment of that committee was that the increase in civil expenditure, had been excessive during the five years which had preceded His Lordship's administration. Now the increase in civil expenditure during those five years had been only about 2½ crores, the expenditure rising from about 22 crores to about 24½ crores. And yet this increase was regarded by Lord Dufferin as excessive. Judging by that standard, I wonder, my Lord, what we are to think of the increase of

15 crores in the ten years from 1898 to 1908! Again, taking the period 1888-1898, what do we find? I do not wish to take the Council through a mass of figures, but I will only state the results of my calculations, giving this assurance to the Council, that I have taken every care I could to compare likes with likes only. Taking the period of ten years immediately preceding 1898, we find that the increase in civil expenditure was from about  $24\frac{1}{2}$  crores to about  $29\frac{1}{2}$  crores, or about 5 crores in ten years against 15 crores in the ten years following 1898. We thus have the following results: if the increase during 1898 to 1908 had been at the same rate as during the five years 1881-1886, when in Lord Dufferin's opinion the civil expenditure had grown enormously it should not have been more than  $4\frac{1}{2}$  crores! Had the rate continued to be what it had been during the ten years preceding 1898, the increase would not have been more than about 5 crores! But instead of these figures, we have here an increase of no less than 15 crores! This shows what the era of surpluses has done to push up civil expenditure! Turning next to military charges during this period, we find the same kind of growth. From 1888 to 1898 the military charges grew by about 3 crores a year or from  $22\frac{3}{4}$  crores to 25 crores; but from 1898 to 1908 they rose by about  $5\frac{1}{2}$  crores a year, that is, from  $25\frac{3}{4}$  crores to about 31 crores. The whole position therefore is this, that during the ten years 1898 to 1908, while six crores were remitted in taxation, the annual civil expenditure was allowed to grow by 15 crores and about 5 crores of additional expenditure was incurred every year in connection with the army; this gives an increase of about 20 crores in civil and military expenditure in the course of ten years, or an average growth of 2 crores a year. My Lord, every one must admit that this is a phenomenal increase, considering that the normal growth of revenue ordinarily has been estimated by a previous Finance Minister at only about one crore and twenty lakhs. I think these figures suggested—to my mind they imperatively suggest—the necessity for an inquiry into the growth of civil and military expenditure during the last ten years. This need of inquiry is all the greater because there is a serious situation

in front of us now in connection with opium revenue. We all know that the opium revenue is doomed, that it will be extinguished altogether, if things go on at the present rate, in the year 1917, *i.e.*, in about seven years from now. In this connection, I must express my dissent from my Hon'ble friend Mr. Chitnavis, who has urged that we should ask the Imperial Government to make a contribution to the Indian Exchequer in order to compensate us for the loss of opium revenue. My Lord, I do not think that it will be a dignified course on our part to ask for such a contribution. It is we who have financially benefited in the past by this opium revenue, and it is we who must be prepared to bear this loss when the opium revenue is extinguished, seeing that the stain that will then be wiped away will be wiped away from us. We must face the situation ourselves, and I think if only the Government will be sufficiently careful, it is possible to do, and even do well, with a diminishing opium revenue. But one thing it is now absolutely necessary to do in connection with this opium revenue, and that is that from\* next year Government should take into account only a steadily diminishing figure as opium revenue for recurring purposes. What I mean is this—the whole of this revenue, which for next year is taken at about  $5\frac{1}{2}$  crores net, has to be extinguished in seven years. The Finance Department should therefore take, as ordinary revenue, only a descending series of figures, terminating in zero in seven years, for each succeeding year, and all excess over that figure should be treated as a windfall or extraordinary revenue to be devoted to extraordinary purposes, such as non-recurring expenditure on education, sanitation, and so forth. My Lord, I submit this course should have been adopted three years ago, so that the burden of a diminishing revenue should have been evenly distributed and the great need of retrenchment realised in time. I trust the Council will remember that when His Honour Sir Edward Baker enunciated the new opium policy of the Government of India three years ago, he assured the Council that the sacrifice could be made without a resort to extra taxation. That meant that the steadily widening gap made by a diminution in opium revenue would be met

by economies, unless the growth of revenue under other heads sufficed for the purpose. And yet, here we have my Hon'ble friend, the Finance Minister, coming to the Council in a normal year with proposals for additional taxation on the ground of a diminishing opium revenue! My Lord, recent discussions have made it abundantly clear that the course I am urging is necessary, if a policy of steady retrenchment is to be followed and a sudden financial crisis to be averted. What is happening at present is this: owing to the reduction in the number of chests, the price per chest is rising. Probably this will go on for some time, and we may even reach four thousand rupees per chest. So for some time, the rise in prices will make up, and perhaps even more than make up, for the reduction in the number of chests, with the result that during the next two or three years the Government may not necessarily get a smaller amount as their opium revenue than at present; but when the maximum price is reached, then there will be a sudden and precipitate drop, and in the course of three or four years following the Government will have to be prepared to face the extinction of the whole of this revenue of about  $5\frac{1}{2}$  crores. And it is easy to foresee what will then happen. If all of a sudden, say, 2 crores were to be lost in any particular year, I am quite sure that the Finance Minister will again urge the same plea that he has urged this year, that it is not possible to arrange for economies sufficient to cover such a loss at once. And then fresh taxation will again be imposed upon the people as was done this year. Unless, therefore, Government take credit only for a steadily diminishing opium revenue and arrange to keep all excess above that figure as a windfall or extraordinary revenue to be devoted to non-recurring expenditure, I am quite sure they will not feel the same incentive to retrenchment, and the results will be deplorable.

My Lord, I have urged an early, I would even say an immediate, inquiry into the growth of expenditure on two grounds—first, because there has been this vast growth in civil and military expenditure, and secondly, because the opium revenue is to disappear in seven years. I think



the Government has no choice now but to pursue a policy of rigorous retrenchment, and for that a necessary preliminary is an inquiry such as I have suggested. But while the present high scale of charges on both civil and military administration require to be cut down, an increase, and even a large increase, of expenditure is necessary on objects intimately connected with the real well-being of the people—such as primary and technical education, sanitation and relief of agricultural indebtedness. And if retrenchment will not produce the money required for these objects, I for one shall not shrink from advocating additional taxation for the purpose. Only, the resources of retrenchment must first be exhausted, before those of additional taxation are drawn up. My Lord, we feel strongly that the present expenditure on the objects I have mentioned is most inadequate, and unless the Government are prepared to spend far larger sums in these directions, the discontent which we see on all sides at present will not in reality diminish. This question is to us a question of the most vital importance, and it is only in the measure in which the Government deal with it that they will have identified themselves with our best interests.

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## BUDGET SPEECH, 1911.

*[The Council met on the 27th March, 1911, for the final debate on the Budget, His Excellency Lord Hardinge presiding. Mr. Gokhale made the following speech :—]*

My Lord, I understand that my Hon'ble friend Mr. Gates intends to criticise certain remarks on the financial past of Burma made by me the other day in the course of the debate on my resolution about the growth of public expenditure in this country. In view of that, I had meant to wait till the Hon'ble Member had spoken before rising to speak. As, however, the Hon'ble Member wishes to have the last word in this matter and I do not particularly mind his having the last word, I am quite willing to let him have his way, especially as he has very courteously given me an idea of what he proposes to say and has also given me his permission to reply to his criticism by anticipation. Before I avail myself of that permission, however, I think I should refresh the memory of the Council in connection with the point at issue between the Hon'ble Member and myself. My Lord, the Council will remember that when I moved my resolution urging an inquiry into the growth of public expenditure last January, the Hon'ble Mr. Gates attacked my proposal in a speech which may still be in the recollection of this Council, and in the course of that speech he described the Budget of Bombay as a bloated Budget. When it came to my turn to reply, I indulged in a retort—a retort obvious to all who knew the financial history of Upper Burma; I said that if the Budget of Bombay was a bloated Budget, in any case we paid every penny of it; that when Upper Burma, which had lived for nearly 20 years on other Provinces, refunded to the Government of India what it had drawn from other Provinces, then it would be time for the representative of Burma to speak of other peoples' bloated Budgets. Now, my Lord, the first observation I would like to make in

this matter is this—that I quite recognise that the Hon'ble Mr. Gates only indulged in a sort of bantering expression when he spoke of the bloated Budget of Bombay; but then my retort too was a bantering retort—intended at the time to be a mere debating retort and nothing more. However, like the bantering retorts, which have an element of truth in them, my retort has gone home, and I find some feeling exhibited in the matter even in Rangoon—I have seen articles in Rangoon papers on the subject. As this has happened, I am quite prepared to put all banter aside and to take the question up as a serious question to be argued in a serious spirit, and I will argue it in that way to-day. So far as the proposition that I made last January is concerned, viz., that Upper Burma was not, for nearly 20 years, able to pay its way, that, of course, is a historical fact; any one who knows the financial past of Upper Burma knows that. Upper Burma was annexed in 1886. From 1886 to 1897—a period of eleven years—the accounts of Upper Burma were kept separate, and during all these years, as the Hon'ble Mr. Gates himself will admit, Upper Burma showed a heavy deficit year after year. It was as high as over 2 crores of rupees for the first year, and for the last year it was nearly a crore—about 95 lakhs. Then the accounts of Upper and Lower Burma were put together, and, of course, after that we have no direct means of knowing how much Upper Burma cost the Government of India. But there is plenty of indirect evidence to show that the deficits of Upper Burma continued for about 7 or 8 years more. That means that if the accounts of Upper Burma had continued to be kept separate, it would have been 18 or 19 years before Upper Burma was able to make the two ends meet. So far, therefore, as my actual proposition is concerned, it is absolutely unassailable. The Hon'ble Member, however, may say, 'Oh! you must not take part of a Province like this! And Upper Burma is only a part of the whole Province of Burma!' But even before Upper Burma was annexed, Lower Burma was not paying its way. The utmost that may be conceded for the sake of argument is that Lower Burma was just paying its way when Upper Burma was annexed; still when Upper Burma was joined

to Lower Burma, a deficit ensued, and that deficit had to be made good by the Government of India. Therefore, my position is not shaken even if you put the accounts of Lower Burma with those of Upper Burma. But, my Lord, my Hon'ble friend, the non-official Member from Burma, Maung Bah Too, has most unexpectedly come to my assistance in this matter. He asked for a return the other day, and only 4 or 5 days ago a return was placed by the Government on this table, which is a crushing indictment of the financial position of Burma, even taken as a whole. The return is a Government return, and I shall be glad to know what the Hon'ble Mr. Gates has to say to it. The return shows that from 1860 up to 1903-04—the year in which the return was prepared—the whole of Burma, Lower and Upper, taken together, had not been paying its way. It was not therefore only Upper Burma, for a period of nearly 20 years, but the whole of Burma for more than 40 years that was not paying its way—I do not know how it has been since; probably things have been slightly better, but they cannot be very different. I am therefore prepared to modify my original proposition that Upper Burma had not paid its way for nearly 20 years and say that the whole of Burma had not paid its way for more than 40 years. If that will please the Hon'ble Member, he may have this proposition—this time made not in banter, but in sober seriousness!

But, my Lord, that is not all. This return, which was prepared by the Accountant-General of Rangoon, tries to give every advantage to Burma in the calculation. For instance, Burma is charged, not with its fair share of Military expenditure, but only with the cost of the troops actually located in Burma, and that is really very small compared with the whole Military expenditure of India. Then, as to non-effective charges in connection with the Army, Burma is charged, not with the usual percentage of 42, but only with a percentage of 33. There are other charges also made on a smaller scale than in the case of the rest of India; and finally there is this significant omission here. The return says that the deficits, shown in the table appended, for more than 40 years, are exclusive of

certain items which have not been taken into account—items for which Burma should be charged, but has not been charged, in this calculation. Thus, Burma is not charged in this return with its share for Civil and Public Works pension and furlough allowances in India; Burma is not charged with its share of the capital cost in connection with telegraphs; Burma is not charged with any contribution to the Royal Navy and Royal Indian Marine; finally, Burma is not even charged for her fair share of the Central Government in India. Exclusive of all these charges and giving every advantage to Burma, this return, prepared by the Accountant-General of Rangoon, and laid by the Government of India on the table of this Council, shows that for more than 40 years the whole of Burma was not paying its way; and as a result we find that Burma is indebted to-day to India to the tune of about 62 crores of rupees. The other day I pointed out that the unproductive debt of India is 37 millions or about 55 or 56 crores of rupees. If Burma had not been with us, we should have had no unproductive debt to-day and have been 6 or 7 crores to the good. It may be contended by the Hon'ble Member that it is not fair to begin the account, as this return does, with the debt charges, due on account of the First and Second Burmese Wars. But it must be remembered that that has been the practice of the Government of India in connection with its own accounts in this country. England has never borne any part of the cost of the wars or of the measures that were necessary to put down the Mutiny, or any other debt that has been raised in this country. India has paid the whole cost of all the wars; India has paid the whole cost of putting down the Mutiny; India has borne the whole responsibility for every debt that has been raised in connection with this country. If Burma wants to be considered separately, then Burma must also be prepared to undergo the same treatment; and that treatment has been applied to Burma by the Accountant-General of Rangoon, with results well worth the study of the Hon'ble Member.

There is one thing more I want to say in this connection. Taking the positions of Burma and Bombay

even to-day, what do we find? It is usual to apply two tests in such comparisons, the test of population and the test of area, to judge as to what is the burden of taxation in a Province. I think both tests are largely fallacious, but if these tests have to be applied, they must be differently to different heads of revenue. For land-revenue and forests, I think, the proper test to apply is the area test; for stamps, registration, assessed taxes and excise, on the other hand, the proper test to apply is the test per head. Applying the tests in this way, I find that Bombay pays per head for assessed taxes, stamps, registration, and excise, Re. 1-9-10 per head, whereas Burma pays Re. 1-6-10 per head. As regards land-revenue and forests, I find that Bombay pays Re. 0-15-3 per square mile, whereas Burma pays Re. 0-13-3, and this in spite of the fact that Bombay is largely handicapped by Sind. Thus, even omitting salt and customs, Bombay taxation is higher than that of Burma.

I will now pass on to offer a few observations on the Financial Statement which the Hon'ble the Finance Minister has laid before this Council. My Lord, the most interesting portion of the Financial Statement is that which deals with the question of Provincial finance. Undoubtedly a very important step forward has been taken and the Hon'ble Member is entitled to speak with legitimate pride of what has been done. When, however, he describes these new Provincial settlements as permanent, a question arises as to whether the use of the term is justified. Looking at the new settlements in a large way, we find that there are four special characteristics which may be noted. The first is that there will be in future a withdrawal of all minute control over the Budgets of Provincial Governments. The second is that the doctrine of contractual responsibility will be enforced rigidly in future in the case of all Provincial Governments. The third is that, as far as possible, Provincial revenues will be derived from portions of growing revenues and that large fixed allotments will not be made hereafter to the Provinces. And the fourth is that a further step has been taken in the direction of the

provincialization of certain revenues, forests in all cases, and excise in the case of Bombay and Eastern Bengal and Assam. Now, these are all very important features, all four of them. But even so, I do not think that the new settlements are likely to be any more permanent than the previous settlements were. Let us consider the matter in some detail.

As regards the withdrawal of minute control over the budgets of Provincial Governments, I think everybody will congratulate the Finance Department on what it has done. It is a very important change, and I think that it will largely free the Local Governments from that unnecessary and vexatious interference of which they had reason to complain. I think this, in some respects, is the most important change which the new settlements make, and it is sure to be attended with excellent results. As regards the doctrine of contractual responsibility, that of course has always been there; and simply because the Hon'ble Member expresses himself with some emphasis on the subjects, it does not mean that it is a new doctrine, though I admit that if he is able to ensure the Local Governments not budgetting for a deficit or borrowing from him whenever their balances fall below the minimum, I think that will be a departure. I do not know, however, how far it will be possible to enforce this in practice. I have my doubts about this. The third change is, no doubt, very important; but the principle of it had already been accepted, and we have now only a further advance in giving the Local Governments a larger proportion of the growing revenues. The advance, however, is so substantial as to reverse the old practice of making fixed allotments to Provincial Governments. In place of that, we have now the Imperial Government receiving a next fixed allotment from the Provincial Governments taken together, and that is a move in the right direction. The last change is also a further extension of a principle already accepted, because registration had already been wholly provincialised, and what the Finance Department has now done is to provincialise forests in all cases and excise in some cases, which is only extending a principle, already accepted, still further.

While, therefore, all the four changes are important, there is nothing in them except in the first—that which relieves the Local Governments of all minute control—which is quite new, though in each case there is a substantial advance. But my fear, my Lord, is that these settlements will not prove any more permanent than the last quasi-permanent settlements, or than even the old quinquennial settlements; I fear that the whole position is such that there cannot be any permanent settlements at the present stage between the Provincial Governments and the Government of India. The root of the mischief lies in this. The Government of India has at its disposal too large a share of growing revenues, and its expenditure is principally confined to the Army and to a few services which are directly under it. The result is that, while there is a continuous tendency to spend more and more on the Army, after those claims are satisfied, large surpluses accrue to the Government of India; and when these surpluses are realised, the Government doles out a portion of them to the Provinces. Now, the Provinces habitually expect these doles and the expectation of the doles is thoroughly demoralising. If therefore you want any element of permanence in your provincial contracts, it is necessary, first of all, to see to it that the Government of India has no large surpluses to dole out to the Provinces, and this can only be ensured by reducing the resources which are at present at the disposal of the Government of India. What I propose, my Lord, is that instead of receiving its whole income from growing revenues, the Government of India should receive large fixed contributions from Provincial Governments, say, up to about one-third or one-fourth of its revenues, the other two-thirds or three-fourths being derived from growing resources. I think in this matter it is desirable to examine the practice of other countries, and there are three countries which can supply some sort of guidance to us on this subject—Switzerland, Germany and America. Switzerland, however, is a very small country, and I will therefore leave it out of consideration. The example which I think we should follow in this matter is that supplied by Germany. America is too advanced for us, because the federal finance of America is



entirely separate from State finance, and it will be a long, long time before we reach that stage, if we ever reach it at all. But in Germany, my Lord, while the empire has its own independent revenues, and the component States have theirs, the component States also make large contributions to the exchequer of the Empire. In fact, nearly one-fourth of the revenue of the Empire is at present derived from fixed contributions from the component States, and about three-fourths is derived from independent sources, such as Customs and Excise and Stamps. Now, I think, this is the direction in which we have to seek a solution of our problem. The Government of India should have about one-third or one-fourth of its revenue derived from fixed contributions made by the Provincial Governments. This will reduce the possibility of large surpluses being realised by the Government of India, and diminish the chances of doles being given to the Provincial Governments. As I have already said, the policy of doles, which has been condemned by successive Finance Ministers, and also by several Members of the Decentralisation Commission, is a thoroughly demoralising policy, and if you want any strong financial responsibility to be felt by Provincial Governments and the doctrine of contractual responsibility to be strictly enforced, you must see to it that this practice of the Government of India giving doles to Provincial Governments year after year is stopped—indeed rendered impossible.

I had intended going into this in some detail, but I see that my twenty minutes are nearly up and I must conclude. I will therefore content myself with making only one or two observations. My Lord, taking the real revenue of the whole of India as estimated in next year's Budget, we may put it down at about 83 crores or 55 millions for the next year. As I explained on a previous occasion, I leave out in this refunds and drawbacks and assignments and compensations, as also the cost of production of opium; and the Commercial Services I take net. Out of this 83 crores, about four-sevenths is now the revenue of the Government of India and three-sevenths is the revenue of the Local Governments. Now, I think, it

is possible to assign the principal heads to the Imperial and Provincial Governments in such a way that the Local Governments should have at their disposal a little more than the revenue which they at present enjoy, and the Government of India should have at its disposal a little less than what it has at present.

The excess, which the Local Governments will thus get, should come back to the Government of India in the shape of fixed assignments, which, of course, would not be capable of growth, and to that extent the Government of India would have inelastic revenues at its disposal. On the other hand, as the Government of India will have customs-revenue, and as it will realise more and more from this source, I do not think that there would be any difficulty as regards the total revenue of the Government of India being sufficiently elastic. I think, my Lord, that the Government of India could and should raise much more revenue from customs than they are doing to-day. In Germany, I find 57 millions are raised by customs; in America 60 millions are raised by customs; so that there is plenty of margin for raising a larger revenue from this source in India. My proposal, therefore, is this, that certain principal heads should be provincialised straight off. I would begin with land revenue, excise and forests, making them over to Local Governments, and such Local Governments as would get from them more than they actually require just now should be called upon to make fixed allotments to the Government of India. As the Government of India's revenue from its own sources, such as customs, grows, more and more of the other heads should be provincialised. So far, the advance has been from centralized finance to decentralized finance. When the process of decentralization is completed—and we are yet a good way from completion—we have to advance from that to federal finance, which should be our goal. And I have indicated briefly how we may gradually proceed towards a federal basis.

There is one matter of some importance on which I would like to say a word before I finish, and that is the question of Provincial taxation raised by my Hon'ble

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friend Mr. Quin. My Lord, this is a very important matter, and I quite recognise that Provincial finance will not attain an independent position unless and until Provincial Councils have the powers of taxation; but I think this is a very difficult problem, and things generally will have to advance a great deal before these powers can be safely conferred on those Councils; in any case, I urge, there should be no hurry in regard to this. I think, in the first place, the present practice of discussing Provincial Budgets must be well settled, and the public opinion in the different Provinces must make itself felt by the Provincial Governments much more than it is doing to-day. Secondly, before powers of taxation are conferred on Local Governments, it is necessary that every Local Government should be a Council Government, with a Governor at its head, coming fresh from England. And, thirdly, it is necessary that there should be an elected majority of Members in these Councils. When this position is reached, I think powers of taxation may safely be entrusted to Provincial Councils, but till then I would keep those powers in the hands of this Council. Finally, as regards borrowing, that will have to come after powers of taxation have been conferred, but I fear it will be some time before we are actually able to take these steps.

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## BUDGET SPEECH, 1912.

*[The Council met on the 25th March, 1912, for the final debate on the Budget, His Excellency Lord Hardinge presiding. Mr. Gokhale made the following speech :—]*

My Lord, I propose to make a few observations to-day on the general state of our finances, but, before doing that, I would like, with Your Lordship's permission, to make one or two references of a personal nature. My Lord, this is the last time when my Hon'ble friend, Sir James Meston, will sit in this Council, at any rate as Financial Secretary, and I would like to take this opportunity to thank him publicly, and in Your Excellency's presence, for all the valuable assistance which he has uniformly given to non-official members during the last three years. Ever accessible, ever courteous, ever helpful, the Hon'ble Member has enabled many of us to perform our duty in this Council better than we could otherwise have done. He has believed whole-heartedly in the new order inaugurated by the recent reforms; and he has also believed in the capacity of non-official members to rise equal to their new responsibilities. And if this Council has not wholly disappointed expectations, the result, at any rate on the financial side of our discussions, is in no small measure due to the sympathetic and generous attitude of the Hon'ble Member towards us. My Lord, our best wishes accompany Sir James Meston in his new and exalted sphere, and I earnestly trust that, when his five years of office are over, he will return again to this Council as Finance Minister. I think, my Lord, there is a great deal to be said in favour of the view that membership of the Government of India should be the last rung of the official ladder in this country, and that those members of the Civil Service who are marked out for Lieutenant-Governorships should complete their tenure of office as heads of Provinces before they come and join the Vice-roy's Executive Council.

My Lord, I would next like to say a word about my Hon'ble friend, Sir Guy Fleetwood Wilson. We have all heard that he proposes shortly to go on six months' leave to recruit his health, and we all fervently hope that he will come back at the end of that period with his health fully restored and that he will continue to preside over his Department for the full period of his appointment. My Lord, the *personnel* of this Council on its non-official side will have undergone considerable changes before the Hon'ble Member's return, because in the interval there will be a new election, and, while some of us may possibly not want to come back, the constituencies may not want to send some others back, and therefore it would not be inappropriate if we, non-official members, seek to give brief expression on the present occasion to the great admiration and the very high regard in which we hold Sir Guy Fleetwood Wilson. My Lord, with his mind saturated with the best traditions of English public life of which he was a close observer for many years, the Hon'ble Member's presence in this Council has been simply invaluable to us at a time when our own tradition is slowly evolving here. We have never found Sir Guy Wilson wrapped up in official reserve. He has often presented new points of view to us and he has himself been always anxious to enter into our feelings and our thoughts. And his delightful and high-minded courtesy has made it a pleasure to have anything to do with him. His great familiarity with the principles of Western finance has enabled him to manage our finances wisely and skilfully, and his attachment to the Gladstonian tradition of economy has left its impress on the administration of this country. In regard to our general affairs, too, it is well-known that Sir Guy Fleetwood Wilson's influence has been strongly on the side of popular progress. My Lord, the country needs men of his type in the Government—men of warm sympathies, of sturdy independence, and deep devotion to its truest and best interests; and once again I earnestly express the hope that Sir Guy will come back fully restored to health and will continue his services to India to the furthest limit of time to which they can be stretched.

My last word, my Lord, will be about this great and beautiful city. Speaking at the Calcutta Club the other day, Your Lordship expressed the great regret with which you viewed the prospect of this city soon ceasing to be your winter headquarters in future. May we, non-official members of this Council, ask to be permitted to respectfully join in that regret! I say nothing on this occasion about the great, the momentous, changes which were announced by His Imperial Majesty the King-Emperor at Delhi. Looking into the future with the eye of faith and of hope, I do believe that these changes, whatever temporary inconvenience or dislocation they may occasion, will do good in the end both to the Province of Bengal and to the country taken as whole. But, whatever the future may hold in its womb, the thought that this Council, which has grown from the smallest beginnings to its present dimensions in this city, meets here to-day for the last time, is a thought that must make the heart heavy. My Lord, it is not merely the infinite kindness and hospitality which we members, coming from other Provinces, have always received from the people of Calcutta, it is not merely the friends that we have made here, that we shall miss; it is the entire influence of Calcutta and all that Calcutta stands for that will now be lost to us. Some of us, my Lord, have been coming to this city now for many years—I for one have come here continuously now for eleven years—and we have learnt to feel the same enthusiasm for this wonderful land which the people of Bengal feel. Its waving fields, its noble streams, its rich and wonderful vegetation of every kind, throw on us now the same spell that the people of this Province experience, and the warm-heartedness of its society, its culture, its spiritual outlook on life, and the intensity of its national aspiration have produced a deep and abiding impression upon our lives. My Lord, we bid adieu to this city with profound regret, and with every good wish for its continued prosperity that the heart of man can frame. And we fervently trust that, great as has been its past, its future will be even greater.

My Lord, I will now say a few words on the general state of our finances. We are, as everybody who knows anything about our finances knows, on the eve of a very considerable disturbance in our accepted standards both of revenue and expenditure. There is no question whatever that the financial position of the country, taken as a whole, is both sound and strong; but the fact that we are on the eve of this disturbance makes it necessary that there should be a careful and comprehensive examination of the whole position. On the one side, my Lord, our opium-revenue will soon be extinguished; on the other side, heavy and continuously increasing additions will be necessary to our expenditure on certain services, specially education and sanitation. Then, my Lord, I hope, I most earnestly hope, that our military expenditure, the burden of which we have so long borne patiently, and which is really far beyond our capacity to bear, will be materially lightened as a result of the labour on which Sir William Nicholson and his Committee will soon enter. I therefore suggest that this is just the juncture when a comprehensive inquiry into the whole financial position may be undertaken by a strong Royal Commission. There are three outstanding features of the position. A top-heavy administration, much too costly for our resources, a crushing weight of military burdens, and a scheme of taxation which, though not much more burdensome in its total incidence than in other countries, presses much more heavily on the poorer than on the middle and the upper classes of the community. These are the outstanding features of our financial position. India, it must always be borne in mind, is a very poor country, and the largest revenue that we can possibly raise must be small, judged by the standards of the West. The question, therefore, as to how to adjust our revenue to our growing requirements in certain directions is one of prime importance. My Lord, I, for one, shall be glad when our opium-revenue disappears; not only because I feel it to be a stain on us, but also because its presence in an uncertain state is very inconvenient from the standpoint of economy. The uncertainty that invests it is a great disturbing factor in our budget, and the large

surpluses which it brings to the Government, however convenient they may be for certain purposes, cannot but be demoralizing in their effect on economy, because the strongest Finance Minister, with the utmost insistence that he can lay on rigid economy, cannot resist a certain amount of wasteful expenditure in the presence of such large surpluses. When the opium-revenue disappears—and I understand that it will not take long now before it disappears—we shall be in a position to know where exactly we stand, and then it is that certain questions will require to be taken into serious and careful consideration, so that a definite financial policy may be laid down for the country which should be adhered to in all essentials, independently of the particular views or inclinations of individual Finance Members. The questions that require specially to be considered are how to re-adjust our old taxation so that its incidence should press less severely on certain classes—the poorest classes of the country; how to widen, if necessary, the present basis of taxation so that more money may be found for education, sanitation, and similar services; in what directions expenditure must be kept down, and in what directions expenditure must be increased. We want enquiry into these things by a strong Commission so that the future may be shaped in accordance with a definite policy laid down, after taking a comprehensive view of the whole question. For instance, my Lord, I hold that we can raise a much larger revenue than we do at present from our Customs without its proving burdensome to any section of the community. The possibility of raising revenue from certain sources, which at present yield nothing, must also be publicly examined. Then there is the question of reducing the State demand on land, especially in raiyatwari tracts, and the extension of the permanent settlement to areas where it does not at present exist, subject to the condition that agricultural incomes above a certain minimum should be liable to pay the income-tax. There is also the question as to how larger recurring grants for local bodies may be provided so that they should be better able than at present to perform their duties satisfactorily, and how provision may be made



for steadily expanding allotments to education, sanitation, and medical relief. I therefore urge that when the opium-revenue is about to disappear, the occasion should be utilised to appoint a strong Royal Commission to consider the whole subject of the basis of our taxation and the probable future course of our expenditure. One important reason why such an inquiry is necessary is the extreme rapidity with which the *personnel* of the Government changes in this country. A Finance Minister, or any other member of Government, holds office for only five years; he takes some time to make himself acquainted with the problems of his department or the state of things in the country, and by the time he is in a position to handle important questions well, the time also comes for him to think of leaving. If members of Government were to remain in this country after their retirement, the knowledge and experience which they acquired in their respective offices would still be available to us. What happens at present is that every successor has to begin not where his predecessor ended but his predecessor also began, and thus a large amount of most useful and necessary knowledge is repeatedly lost and has to be repeatedly acquired over and over again, with the result that we seem to be living more or less from hand to mouth and without a large settled policy adopted as a result of wide and thorough knowledge and ample discussion.

I, therefore, urge, my Lord, that when the opium-revenue is about to be extinguished, as we understand it will soon be, the Government should take steps to appoint a Royal Commission so that the whole financial position of the country may be carefully examined.

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## HOUSE ACCOMMODATION IN CANTONMENTS.

*[At a meeting of the Imperial Legislative Council held on Friday, the 14th February 1902, His Excellency Lord Curzon presiding, the Council considered the Report of the Select Committee on the Bill to make better provision for securing house accommodation for officers in Cantonments. The Hon. Mr. Pugh moved that in clause 2, sub-clause (1) of the Bill, as amended by the Select Committee, the definition of "grantee" be omitted. In supporting the amendment, the Hon. Mr. G. K. Gokhale spoke as follows :—]*

Your Excellency,—As Government have been pleased to accept the amendment moved by the Hon'ble Mr. Pugh, I do not think it is necessary for me to say anything in support of it; but, if Your Excellency will bear with me, I will, following the example of my Hon'ble friend Mr. Bilgrami, make a few observations on the general character of the measure which the Council are invited to pass to-day. My Lord, it is true that I have signed the Report of the Select Committee subject to dissent in one particular only, but I don't mind confessing that I regard all legislation of this nature with a considerable amount of misgiving. I am free to recognise that Government have been by no means precipitate in proceeding with this measure, as it has been before the public, in one form or another, for nearly thirteen years. I also recognise that large and important modifications have been introduced into the Bill to soften the stringency of its original provisions, and now that Government have accepted the amendment of which the Hon'ble Mr. Pugh had given notice, I think they have done nearly all that lay in their power, short of dropping the Bill, to provide what have to be considered as reasonable safeguards to protect the legitimate interests of house-owners in cantonments. But, my Lord, when all this is admitted—and I make the admission most gratefully—the fact remains that legislation of so exceptional a character, interfering as it does with

the normal freedom of contract between house-owners and tenants, can be justified only on grounds of the strongest necessity ; and there is ample evidence in the opinions and memorials laid before the Select Committee to show that in the case of a large number of cantonments such necessity does not exist. In these cantonments, no difficulty has been experienced in the past in the matter of obtaining house accommodation for military officers, the number of bungalows available being largely in excess of military requirements, and a certain proportion of these bungalows remaining, as a matter of fact, vacant from year to year. Poona is a typical instance of this class of cantonments. It has been estimated that the number of military officers requiring house-accommodation in Poona is about 160 ; while the number of bungalows in Military lines is over 200. Now all these 160 officers do not take a house each. The younger officers generally prefer chumming, three or four in a house. A considerable number reside in the Western India Club and in hotels and a few live even in Civil lines. The result is that every year a certain number of houses remain without tenants. It may be urged that it is not intended to put the proposed enactment into operation at once in all cantonments throughout India. That is true ; but as soon as the Bill is passed, the matter gets out of the hands of the Legislature, and then it is all a question of the discretion of Government in their executive capacity, which, it will be admitted, is quite a different thing. I do not say that this discretion will not, as a rule, be wisely exercised, but it is conceivable that a Local Government may not always be able to withstand the pressure of the military authorities, who would naturally not be reluctant to be armed with the drastic powers which this Bill vests in them, when once the Act is extended to a cantonment. And I think there is reason to fear that the operation of this enactment, with all the safeguards it contains, is likely to prove in practice more or less prejudicial to the interests of house-owners. The Legislature, my Lord, may make the letter of the law as severely impartial as it can. The law itself has to be enforced through the medium of human beings, who are not free from prejudice. And in the present case, it will be worked

by military men, who are so accustomed to prompt and unquestioning obedience that they are often not likely to trouble themselves much about nice points of law in enforcing their wishes. The Bill provides for referring all important matters of disagreement between house-owners and tenants to Committees of Arbitration. It remains to be seen how far the safeguard of these Committees proves to be effective in practice. Past experience of these bodies in cantonments is not very encouraging. On this point I need quote no other testimony than that of the Hon'ble Mr. Hardy, who has described his experience of these Committees in the following terms:—'I have been a member on these Committees, and I am bound to say I thought their tendency was to be hard on the house-owner.' Let us hope that the Arbitration Committees that will be constituted under the proposed enactment will give greater satisfaction. In one respect the Bill is certain to cause loss to house-owners. Where a non-military tenant is ejected in favour of a military tenant under the coercive clauses of the Bill, the house is sure to be shunned by non-military tenants after that, and so, if at any time the house-owner fails to get a military tenant for it, it is likely to remain without a tenant. I have made these observations to emphasize respectfully the great need there is for exhausting all ordinary remedies before resorting to the somewhat violent disturbance of the normal relations between house-owners and tenants which this Bill authorises, especially in the case of those cantonments in which the inconvenience complained of in the preamble of the Bill has not assumed serious dimensions and where the requirements of the military are of a fixed character. I believe, in such cantonments, Government might, with advantage, try the plan of selecting themselves the required number of bungalows once for all, and requiring their officers to occupy them for fixed rents. Such an arrangement, I submit, will be more equitable than that contemplated in the Bill, because there will be a reciprocity of obligations under it. For if house-owners will be thereby required to place their bungalows at the disposal of military officers, these latter, in their turn, will be bound to occupy

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them; and the chances of friction between house-owners and military officers will be minimised. Of course, where the evil mentioned in the preamble has grown so serious that such a simple plan will not be practicable, the proposed enactment will have to be enforced, for no one can question the fact, that cantonments exist primarily for the accommodation of military men, and they must fulfil that purpose under any circumstances. But in regard to these cantonments, *i.e.*, where it will be found necessary to enforce the new law, I would venture to make one suggestion, and that is, that Government should publish every year a statement showing the number of cases in which the coercive clauses of the Bill have been enforced during the year. I think the mere fact that such a return will have to go up to the Government will tend to sober the excess of zeal on the part of cantonment authorities and will prove a salutary addition to the safeguards which have been already provided in the Bill. My Lord, it was not possible for me to bring up these suggestions in the shape of amendments, and I thought I might submit them to the consideration of Government in the course of this discussion.

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## THE OFFICIAL SECRETS ACT.

*[At a meeting of the Imperial Legislative Council, held on Friday the 4th December 1903, the Hon'ble Sir T. Raleigh presiding, the Hon. Mr. A. T. Arundel moved that the Bill to amend the Indian Official Secrets Act, 1889, be referred to a Select Committee. The Hon. Mr. G. K. Gokhale opposed the motion in the following speech:—]*

Sir, this Bill, both in its principle and its details, is open to such grave objection that it is a matter for profound regret that Government should ever have thought of introducing the measure. The *Englishman*, in a recent issue, describes the Bill as calculated to Russianize the Indian Administration, and says that 'it is inconceivable that such an enactment can be placed on the Statute-book even in India.' This, no doubt, is strong language, but I think, it is none too strong, and in view of the quarter from which it comes, it should give Government pause. Fourteen years ago, when the Indian Official Secrets Act was passed, there was no discussion in the Council, as the measure was introduced and passed at Simla. But there were two considerations in its favour: first, that a similar Act had already been passed in England and it was applicable to all the dominions of His Majesty, including India, and so the Indian Act was a mere Indian edition of the English Law already in force in India; and, secondly, it related principally to Naval and Military Secrets, and it could be argued that, as such secrets concerned questions of the country's safety, it was necessary for Government to have drastic powers for preventing their disclosure. The present Bill, however, proposes to make alterations of so astounding a nature in that Act that it is difficult to speak of them with that restraint which should characterize all utterances in this Chamber. To state the matter briefly, the Bill proposes to make three principal changes in the old Act: first, it proposes to place Civil matters on a level with Naval and Military matters; secondly, in place

of the present provision that a person who enters an office *for the purpose of wrongfully obtaining information* is liable to be punished under the Act, it is now proposed to enact that whoever, 'without lawful authority or permission (the proof whereof shall be upon him), goes to a Government office,' commits an offence under the Act; and, thirdly, it is proposed to make all offences under the Act cognisable and non-bailable. Now, Sir, it is difficult to imagine that any responsible officer of Government conversant, in any degree, with the administration of the country, and possessing the least regard for the professed character of British rule, could have drafted these amendments. Take the first proposal to place Civil matters on a level with Naval and Military matters. The Civil administration of the country ranges from the highest concerns of State policy which engage the attention of the Viceroy down to the pettiest detail of the routine work of a village official. The word 'secret' is nowhere defined, and it must, therefore, include all official information not authoritatively notified by the Government to the public. And I want to know if it is seriously intended to make the publication of even the most trivial news in connection with this vast Civil administration of the country penal—such news, for instance, as the transfer of a Government officer from one place to another—unless it has first appeared in a Government resolution or any other official notification. And yet this would be the effect of the proposed amendment. The *Englishman* calls this Russianizing the administration, and he is entitled to the thanks of the public for his powerful and disinterested criticism. For the Bill, even if it becomes law, will not in practice affect him or the other editors of Anglo-Indian papers. I would like to see the official who would venture to arrest and march to the police thana the editor of an Anglo-Indian paper. But so far as Indian editors are concerned, there are, I fear, officers in this country, who would not be sorry for an opportunity to march whole battalions of them to the police thana. It is dreadful to think of the abuse of authority which is almost certain to result from this placing of Indian editors, especially the smaller ones among them, so completely at the mercy of those whom

they constantly irritate or displease by their criticism. It might be said that, while Government have no objection to the authorised publication of official news of minor importance, they certainly want to prevent the publication of papers, such as the confidential circulars about the wider employment of Europeans and Eurasians in the Public Service, which were published by some of the Indian papers last year. Now, in the first place, the Bill does not distinguish between matters of smaller and greater importance. And, secondly, even on the higher ground on which the measure may be sought to be defended, I submit that the Bill, if passed into law, will do incalculable mischief. I think, Sir, that in a country like India, where Naval and Military secrets require to be protected, if anything, with even greater strictness than in England, the very reverse is the case with matters concerning the Civil administration. The responsibility of the Government to the people in this country is merely moral; it is not legal, as in the West. There is no machinery here, as in Western countries, to secure that the interests of the general public will not be sacrificed in favour of a class. The criticism of the Indian Press is the only outward check operating continuously upon the conduct of a bureaucracy, possessing absolute and uncontrolled power. I can understand the annoyance caused to the officers of Government by the publication of circulars, such as were made public last year. But are Government wise in permitting this feeling of annoyance to so influence them as to make them come forward with a proposal to close an obvious safety-valve and drive popular discontent inwards? The proper and only remedy, worthy of the British Government, for whatever is really deplorable in the present state of things, is not to gag newspapers as proposed in this bill, but to discourage the issue of confidential circulars which seek to take away in the dark what has been promised again and again in Acts of Parliament, the Proclamations of Sovereigns, and the responsible utterances of successive Viceroys. From the standpoint of rulers, no less than that of the ruled, it will be most unfortunate if Indian papers were thus debarred from writing about matters which agitate the Indian community



most. What happened, for instance, last year, when those circulars were published? For some time before their publication, the air was thick with the rumour that Government had issued orders to shut out Indians from all posts in the Railway Department, carrying a salary of Rs. 30 and upwards a month. It was impossible to believe a statement of this kind, but it was not possible to contradict it effectively when it was practically on every tongue. The damage done to the prestige of Government was considerable, and it was only when the circulars were published that the exact position came to be understood. The circulars, as they stood, were bad enough in all conscience, but they were not so bad as the public had believed them to be. What was laid down in them was not that Indians were to be shut out from all appointments higher than Rs. 30 a month, but that Eurasians and Europeans were to have, as far as practicable, a preference in making appointments to such posts. The fear that such lamentable departures from the avowed policy of Government might be dragged into the light of day act at present as an effective check on the adoption of unjust measures, and I think it will have a disastrous effect on the course of administration, if this check were to be done away with and nothing better substituted in its place. As regards the second amendment, which would make a man's merely going to an office without lawful authority or permission an offence, I am sure Government have not considered what this will mean in practice. A very large amount of the work of lower officials is transacted by the people concerned going to their offices without permission expressly obtained. Petitioners, for instance, often have to go to offices for making inquiries about what has happened to their petitions. They rarely receive written replies, and it will now be in the power of any police officer to get a man against whom he has a grudge, or from whom he wants to extort anything, into trouble by alleging that he had gone to an office of Government 'without lawful authority.' This will be putting a most dangerous power into the hands of the lower police, about whose character, as a class, the less said, the better. Even an innocent friendly visit by a private individual to an

official friend of his at the latter's office can, under this Bill, be construed into an offence. I am sure nothing could be farther from the intention of Government, and I am astonished that greater care was not taken in drafting the Bill to confine it to the object Government had in view. Lastly, it is proposed to make offences under this Act cognizable and non-bailable—which means that a person charged with an offence under this Act is to be arrested at once, but he is not to be liberated on bail—and yet there is to be no trial till the sanction of the Local Government has been obtained. This may take weeks and even months, and finally, it may never be accorded, and the person arrested is all the while to rot in detention. I cannot understand how a procedure so abhorrent to ordinary notions of fairness should have commended itself to Government. The only redeeming feature in this most deplorable business is that among the opinions which the Government of India have received from their own officers, there are some that strongly deprecate the measure—at least in its more serious aspects. And I think it is a matter for special satisfaction that the Government of Bengal has spoken out so plainly against placing Civil matters on a level with the Naval and Military. Sir, I protest against the very introduction of this Bill. I protest against the spirit in which it has been conceived. I protest against its provisions generally. And as I cannot imagine any possible amendment of the measure which can make it acceptable to me, my only course is to vote against this motion to refer it to a Select Committee:

*[At a meeting of the Imperial Legislative Council held on Friday the 4th March 1904, His Excellency Lord Curzon presiding, the Hon'ble Sir A. T. Arundel moved that the Report of the Select Committee on the Bill to amend the Official Secrets Act, 1889, be taken into consideration. The Hon'ble Mr. G. K. Gokhale then spoke as follows:—]*

My Lord, I desire to say a few words on the Bill as amended by the Select Committee before this motion is put to the vote. When the Bill was referred to the Committee in December last, my Hon'ble friend Nawab Saiyid Muhammad and myself deemed it our duty to enter an

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emphatic protest against the general character and the leading provisions of the proposed measure, because in the form in which it then stood, it was impossible to have any patience with the Bill. Since then, however, thanks to the assurances given by Your Lordship on your return to Calcutta, and the conciliatory attitude adopted by the Hon'ble Member in charge of the Bill in the Select Committee, the Bill has been largely altered, and I gladly recognize that several most objectionable features have either been wholly removed or have been greatly softened. Having made this acknowledgment, I deem it necessary, my Lord, to submit that unless the Bill is further amended on the lines of the more important amendments of which notice has been given, the alterations made so far will fail to allay the apprehensions that have been so justly aroused. My Hon'ble friends Mr. Bose and Nawab Saiyid Muhammad and myself have signed the Report of the Select Committee subject to dissent only on two points, and we have expressed that dissent in the mildest terms that we could possibly find to convey our meaning. We did this both to mark our sense of the conciliatory manner in which the Hon'ble Member in charge of the Bill received many of our suggestions, and in the hope that, by thus removing from our dissent all trace of the angry criticisms to which the Bill has been subjected, we might make it easier for Government to proceed further in the direction of meeting the objections urged by the public. My Lord, I earnestly trust that in this hope we shall not be altogether disappointed. I do not wish to anticipate anything I may have to say when the amendments of which I have given notice come up for consideration. But I cannot let this motion be put to the vote without saying that the Bill, even as amended, is open to serious objection, that no case has been made out for it, that the safeguards to which the Hon'ble Member referred in presenting the Report of the Select Committee are more or less illusory, and that unless the Bill is further amended, it must tend unduly to curtail the liberty of the Press, not so much perhaps by what Government may actually do, as by the fear of what they may do. The striking unanimity with which the entire

Press of the country, Anglo-Indian as well as Indian, has condemned the measure must convince the Government that the opposition to the Bill is not of a mere partisan character, but that it is based upon reasonable grounds, which it is the duty of Government to remove. If, however, Government are not prepared to do this, I would respectfully urge even at this last moment that the Bill should be abandoned altogether.

*[At the same meeting the Hon'ble Mr. Gokhale moved that in clause 2 of the Bill as amended, in the proposed definition of "affairs," in sub-clause (b) the words "or any other matters of State" be omitted. He said:—]*

Government are no doubt aware that these are the words to which the greatest exception has been taken both by the Press and by public associations in the country, and if this proposal to omit them is accepted, the greater part of the opposition to this measure will, I think, disappear. On the other hand, if the words are retained, they will render the attempted definition of 'civil affairs' practically valueless, by conferring on Government almost as wide and dangerous a power to interfere with the liberty of the Press as under the original Bill. My Lord, a definition is no definition unless it specifies, or at any rate indicates with some degree of definiteness, what it is that is intended to be included within its scope, so that a person of average intelligence may have no difficulty in understanding that scope. In the present case, this test fails altogether on account of the use of such vague and all-embracing words as 'any other matters of State' in this attempted definition. I see that the Hon'ble Sir Arundel has given notice of an amendment to insert the word 'important' before the words 'matters of State.' Any other important matter of State is, however, as vague and may be made as all-embracing as the expression 'any other matters of State,' and I do not think the Hon'ble Member's amendment will improve matters in any way. It may be argued, as the Hon'ble Member did when presenting the Report of the Select Committee, that the definition of 'civil affairs,' even as it stands, need cause no apprehension; because, before any conviction is obtained,

Government would have to prove (1) that the information published was of such a confidential nature that the public interest had suffered by its disclosure; (2) that it had been wilfully disclosed; and (3) that the person disclosing it knew that in the interest of the State he ought not to have disclosed it at that time. Now, my Lord, these safeguards look very well on paper; but I fear in practice they will not be found very effective. When the Government come forward to prosecute a newspaper on the ground that it had disclosed confidential information relating to matters of State, and that such disclosure had harmed public interests, I am afraid a great many Magistrates in India will require no other proof than the opinion of Government to hold that the information published was confidential, and that it had prejudicially affected the interests of the State. As regards wilful communication, that too will be held to be established as a matter of course, unless the newspaper proves that the publication was due to inadvertence. The knowledge on the part of the editor that such publication should not have been made at the time in the interests of the State will, no doubt, strictly speaking, be more difficult to prove, but Magistrates of the average type in India, in the peculiar relation in which they stand to the Executive Government, will not be very reluctant to presume such knowledge from the fact that the information published was regarded by Government as confidential, and from other attendant circumstances. Let me take, as an illustration, the publication last year by some of the Indian newspapers of a confidential circular addressed to railway authorities in this country by the Under-Secretary to the Government of India in the Public Works Department in the matter of the wider employment of Europeans and Eurasians. My Lord, in the statement made by Your Lordship in December last on the subject of the Official Secrets Bill, Your Lordship was pleased to state that I had directly attributed the introduction of this Bill to the annoyance caused to Government by the publication of this circular. May I respectfully ask leave to correct this misapprehension? I had mentioned this circular only to illustrate my meaning as to the distinction

which I thought Government might make between civil matters of smaller and of greater importance. My exact words were : ' It may be said that, while Government have no objection to the unauthorized publication of official news of minor importance, they certainly want to prevent the publication of papers such as the confidential circulars about the wider employment of Europeans and Eurasians in the public service, which were published by some of the Indian papers last year.' And later on, when I spoke of the annoyance caused to the officers of Government, I spoke of ' the annoyance caused by the publication of circulars such as were made public last year.' I had thus used the circular only for the purpose of an illustration, and I beg leave to use it for a similar purpose again to-day. It is probable that, as this circular had been issued without Your Lordship's knowledge or the knowledge of the Member in charge of Public Works as stated by Your Lordship on a previous occasion, Government would not sanction a prosecution in this case ; but supposing for the sake of argument that they did, how would the matter stand ? Government might urge that the publication of the circular had inflamed the minds of many Hindus, Muhammadans and Parsis against the Government and had thus led to increased disaffection in the country. And if the trying Magistrate came to accept this view, the task of the prosecution would be comparatively simple. The injury to public interests would be held to lie in the alleged increased disaffection, and the circular being confidential, the Magistrate would have no difficulty in holding that the publication was wilful ; and the editor would be presumed to have known what the consequences of such a publication would be. It may be that on an appeal to the High Courts or similar authority, the conviction may be set aside. But the worry and expense caused to the editor by such a prosecution might, in themselves, prove a heavy punishment, especially when it is remembered that the prosecution would have behind it all the prestige, power and resources of the Government. Even if no prosecution were actually instituted by the Government under the proposed legislation, the mere fact that the Government was armed with the power to

prosecute cannot fail to affect prejudicially the liberty of the Press in this country. My Lord, nowhere throughout the British Empire is the Government so powerful relatively to the governed as in India. Nowhere, on the other hand, is the Press so weak in influence, as it is with us. The vigilance of the Press is the only check that operates from outside, feebly, it is true, but continuously, upon the conduct of the Government, which is subject to no popular control. It is here, therefore, if anywhere, that the Legislature should show special consideration to the Press, and yet here alone it is proposed to arm Government with a greater power to control the freedom of the Press than in any other part of the Empire. My Lord, we often hear Government complaining of the distrust shown by the people in this country, and the people complaining of the Government not trusting them enough. In such a situation, where again the question is further complicated by a tendency on the part of the Government to attach undue importance to race or class consideration, the wisest and safest and most statesmanlike course for it is to conduct its civil administration as far as possible in the light of day. The Press is, in one sense, like the Government, a custodian of public interests, and any attempt to hamper its freedom by repressive legislation is bound to affect these interests prejudicially, and cannot fail in the end to react upon the position of the Government itself. My Lord, I fear, that the retention of the words 'or any other matters of State' in the definition of 'civil affairs' will unduly curtail the liberty of the Press in India, and I, therefore, move that these words be omitted from the definition.

*[At the same meeting, the Hon. Mr. A. T. Arundel having moved that the Bill, as amended, be passed, the Hon. Mr. Gokhale opposed the motion in the following speech :—]*

My Lord, the motion now before the Council is only a formal one. But as it marks the conclusion of our discussion of this important measure, I would like to say a few words. My Lord, I greatly regret that Government should not have seen their way to accepting even a single one of the more important amendments of which notice

had been given. This is the first time within my experience that a legislative measure has been opposed by all classes and all sections of the public in this country with such absolute unanimity. Of course with our Legislative Councils as they are constituted at present, the Government has the power to pass any law it pleases. But never before, I think, did the Government dissociate itself so completely from all public opinion—including Anglo-Indian public opinion—as it has done on the present occasion. I recognize that the responsibility for the good administration of the country rests primarily on the shoulders of the Government. But it is difficult to allow that this responsibility can be satisfactorily discharged, unless the Government was supported in its legislative and executive measures by some sort of public opinion. My Lord, Your Lordship has often declared that it was your constant aspiration to carry the public with you as far as possible in all important acts of your administration. I do not think it can be said that that aspiration has been in the smallest degree realized in the present case. The whole position is really most extraordinary and very painfully significant. Here we had a law, already in force, identical in character and identical in wording with the law obtaining in the other parts of the British Empire. The British Government in England, with its vast naval and military concerns and its foreign relations extending over the surface of the whole globe, has not found its law insufficient for its purpose. How then has the Government of India, with its more limited concerns, found it necessary to make the law more drastic in India? The explanation, I think, is simple. It is that, while in England the Government dare not touch the liberty of the Press, no matter how annoying its disclosures may be, and has to reconcile itself to the latter regarding them as only so much journalistic enterprise, in India the unlimited power which the Government possesses inclines it constantly to repressive legislation. This single measure suffices to illustrate the enormous difference between the spirit in which the administration is carried on in England. My Lord, as the Bill is still open to serious objection, I must vote against this motion to pass it.

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## THE INDIAN UNIVERSITIES ACT.

*[At a meeting of the Imperial Legislative Council, held on Friday the 18th December 1903, His Excellency Lord Curzon presiding, the Hon. Sir T. Ralagh moved that the Bill to amend the law relating to the Universities of British India be referred to a Select Committee. In opposing the motion, the Hon. Mr. G. K. Gokhale made the following speech :—]*

My Lord, as this is the occasion on which the principle of the Bill may be usefully discussed, I cannot give a silent vote on the motion now before us, especially in view of the great attention which this subject has received during the last three years at the hands of both the Government and the public, and the angry controversy which has raged round it for most of the time. In the course of the Budget Debate of last year, Your Lordship, while referring to the attitude of the educated classes of this country towards University Reform, was pleased to observe—‘ Surely there are enough of us on both sides, who care for education for education’s sake, who are thinking, not of party-triumphs, but of the future of unborn generations, to combine together and carry the requisite changes through.’ My Lord, I do not know if my claim to be regarded as one of such persons will pass unchallenged. But this I venture to say for myself : I hope I have given, in my own humble way, some little proof in the past of my interest in the cause of higher education ; and that, in the observations which I propose to offer to-day, the only consideration by which I am animated is an anxious regard for the future of Western education in this land, with the wide diffusion of which are bound up in large measure the best interests of both the Government and the people. My Lord, in your Budget speech of last year, Your Lordship complained of the unnecessary distrust with which the educated classes regarded the attitude of the present

Government towards higher education. I can assure Your Lordship that, even among those who have not been able to take the same view of this question as Your Lordship's Government, there are men who regret that the difficulties which already surround a complicated problem should be aggravated by any unnecessary or unjustifiable misapprehension about motives. But is it quite clear that the Government itself has been free from all responsibility in this matter, and that it has given no cause whatever for any misapprehension in regard to its object? Let the Council for a moment glance at the circumstances which have preceded the introduction of this Bill. More than two years ago, Your Lordship summoned at Simla a Conference of men engaged in the work of education in the different Provinces of India. Had the Conference been confined to the educational officers of Government, one would have thought that Government was taking counsel with its own officers only, and of course there would have been no misunderstanding in the matter. But the presence of Dr. Müller at the Conference at once destroyed its official character, and gave room for the complaint that the deliberations were confined to European educationists in India only. The fact that the proceedings of the Conference were kept confidential deepened the feeling of uneasiness already created in the public mind by the exclusion of Indians from its deliberations. Later on, when the Universities Commission was first appointed, its composition, as is well known, afforded much ground for complaint; and though, to meet public opinion half way, Your Lordship took the unusual step of offering a seat on the Commission, almost at the last moment, to Mr. Justice Guru Das Banerjee, the objection remained that, while missionary enterprise was represented on the Commission in the person of Dr. Mackichan, indigenous enterprise in the field of education was again left unrepresented. The hurried manner in which the Commission went about the country and took evidence and submitted its report was not calculated to reassure the public mind. Finally, the holding back of the evidence, recorded by the Commission, on the plea that its publication would involve unnecessary expense, was very unfortunate, as other

Commissions had in the past published evidence ten times as voluminous and the question of economy had never been suggested. Now, my Lord, every one of these causes of complaint was avoidable and I cannot help thinking that a good deal of the apprehension, which every right-minded person must deplore, would have been avoided, if Government had been from the beginning more careful in this matter. The task of reforming the University system in India was, in any case, bound to be formidable, and it was much to be wished that it had been possible to examine the proposals of Government on their own merits, in the clear light of reason, unobscured by passion or prejudice or misapprehension of any kind, on one side or the other.

A misapprehension of the motives of the Government cannot, however, by itself explain the undoubted hostility of the educated classes of this country to the present measure. And it seems to me to be clear that this sharp conflict of opinion arises from the different standpoints from which the question of higher education is regarded by the Government and the people. In introducing this Bill the other day at Simla, the Hon'ble Mr. Raleigh asked at the outset the question 'whether English education has been a blessing or a curse to the people of India,' and he proceeded to give the following reply :--

In point of fact it has been both, but much more, I believe, a blessing than a curse. We note every day the disturbing effects of a new culture imposed upon learners who are not always prepared to receive it ; but still it is a great achievement to have opened the mind of the East to the discoveries of Western science and the spirit of English law. To the Schools and Colleges under our administration we owe some of the best of our fellow workers—able Judges, useful officials, and teachers who pass on to others the benefit which they have received. To them also we owe the discontented B. A., who has carried away from his college a scant modicum of learning and an entirely exaggerated estimate of his own capacities, and the great army of failed candidates, who beset all the avenues to subordinate employment.

Here then we have the principal objection to the present system of University education authoritatively stated, namely, that it produces the discontented B.A.,

and a great army of failed candidates. The Hon'ble Member describes these classes as a curse to the country, and he claims that his proposals are intended to abate this evil. Now, my Lord, I would, in the first place, like to know why 'the army of failed candidates, who beset the avenues to subordinate employment' should be regarded as a curse by the Government any more than any other employer of labour regards as a curse an excess of the supply of labour over the demand. These men do no harm to anyone by the mere fact that they have failed to pass an examination or that they seek to enter the service of Government. Moreover, unless my Hon'ble friend is prepared to abolish examinations altogether, or to lay down that not less than a certain percentage of candidates shall necessarily be passed, I do not see how he expects to be able to reduce the evil of failed candidates. The Colleges on the Bombay side satisfy most of the conditions that the Hon'ble Member insists upon, and yet the problem of the failed candidates is as much with us there as it is here. As regards the discontented B.A., assuming that he is really discontented, will the Hon'ble Member tell me how his proposed reconstitution of the Universities will make him any more contented? Does he not know that Indians, educated at Oxford or Cambridge, who bring away from those Universities more than a 'scant modicum of learning' and a by no means 'exaggerated estimate of their own capacities' are found on their return to India to be even more 'discontented' than the graduates of the Indian Universities? The truth is that this so-called discontent is no more than a natural feeling of dissatisfaction with things as they are, when you have on one side a large and steadily growing educated class of the children of the soil, and on the other a close and jealously-guarded monopoly of political power and high administrative office. This position was clearly perceived and frankly acknowledged by one of the greatest of Indian Viceroys—Lord Ripon—who, in addressing the University of Bombay in 1894, expressed himself as follows:—

I am very strongly impressed with the conviction that the spread of education and especially of Western culture, carried on as it is under the auspices of this and the other Indian Universities

imposes new and special difficulties upon the Government of this country. It seems to me, I must confess, that it is little short of folly that we should throw open to increasing numbers the rich stores of Western learning; that we should inspire them with European ideas, and bring them into the closest contact with English thought; and then that we should, as it were, pay no heed to the growth of those aspirations which we have ourselves created, and of those ambitions we have ourselves called forth. To my mind one of the most important, if it be also one of the most difficult, problems of the Indian Government in these days is how to afford such satisfaction to those aspirations and to those ambitions as may render the men who are animated by them the hearty advocates and the loyal supporters of the British Government.

My Lord, I think it is in the power of Government to convert these 'discontented B.A.'s.' from cold critics into active allies by steadily associating them more and more with the administration of the country, and by making its tone more friendly to them and its tendencies more liberal. This, I think, is the only remedy for the evil complained of, and I am sure there is none other.

My Lord, in the speech of the Hon'ble Member, to which I have already referred, he has argued as follows:—

The evils of the discontented B.A.'s and the great army of failed candidates cannot be combated without improving the methods of teaching and examination which produce these results. Such improvement cannot, however, be secured without reconstituting the Senates of the different Universities. Therefore it is that the Government has thought it necessary to come forward with the proposals embodied in the present Bill.

Now, my Lord, I do not think the discontented B.A.'s will grow rarer or that the ranks of the army of failed candidates will become thinner after this Bill becomes law. But even if this object of the Hon'ble Member be not likely to be achieved, I am willing to admit that it would be a great and worthy end to attempt an improvement for its own sake in the methods of teaching and examination, and if any one will make it clear to me that this end is likely to be attained by the adoption of the proposals embodied in this Bill, I shall be prepared to give my most cordial support to this measure. For, my Lord, I have long felt that our present methods of both teaching and examination are very imperfect and call for a reform. But,

as far as I can see, there is little in this Bill which will in any way secure that object. It is true that the Hon'ble Sir Denzil Ibbetson, in his brief but eloquent speech at the first reading, spoke of the necessity of raising the character of the teaching at present imparted in Colleges, and he announced that Government had decided 'to make for five years special grants in aid of Universities and Colleges whose claims to special assistance in carrying out the reforms which we have in view are established, subject to an annual limit of five lakhs of rupees!' The announcement is a most welcome one, but it is difficult to see what reforms the Government has in view, and until further details about the Government scheme are forthcoming, no definite opinion can be pronounced on it. Moreover, we are just now considering the Bill, and so far as its provisions are concerned, there need not be the least change in the present state of things, so far as the Colleges in the Bombay Presidency are concerned. But, my Lord, while it is difficult to allow the claim of the Hon'ble Sir Raleigh that this Bill will lead to an improvement in the methods of teaching and examination, there can be no room for doubt that the first and most obvious effect of the passing of this measure will be to increase enormously the control of Government over University matters, and to make the University virtually a Department of the State. This increase of control is sought to be secured both directly and indirectly—directly by means of the new provisions about the acceptance of endowments and the appointment of University Professors and Lecturers, the affiliation of Colleges and the making of regulations—and indirectly by the proposed reconstruction of the Senate and the power of censorship in regard to its composition which Government will now be able to exercise every five years. My Lord, if Government cannot trust the Senate even to accept endowments without its own previous sanction, or to make appointments to endowed Professorships or Lectureships, if Government is to have the power to affiliate or disaffiliate any institution against the unanimous opinion of both the Senate and the Syndicate, if it may make any additions it pleases to the regulations submitted by the Senate for its sanction

and may even in some cases make the regulations themselves without consulting the Senate, I do not see that much dignity or independence is left to the Senate under such circumstances. And when, in addition to so much direct control, Government takes to itself the power of not only nominating practically nine-tenths of the Fellows but also of revising their lists every five years, I think no exception can be taken to the description that the Senate under the circumstances becomes a Department of the State. My Lord, much was said during the last three years about the necessity of giving a preponderant voice to men actually engaged in the work of education in the deliberations of the University; very little, on the other hand, was heard about the necessity of increased Government control. In the proposals, however, with which Government has now come forward while no statutory provision has been made for a due representation of Professors and teachers in the composition of the Senate, Government has virtually absorbed nearly all real power and made everything dependent upon its own discretion. The spirit in which the Government has chosen to deal with the Universities in this Bill appears to me to be more French than English. Was it really necessary to revolutionize their position so completely in the interests of education alone? After all, Government itself is responsible for the composition of existing Senates, and what guarantee is there that the power of nomination, which has been admittedly exercised with considerable carelessness in the past, will be used any better in the future? Moreover, there are men on the existing Senates who have all along taken great interest in the affairs of the Universities, but who have perhaps made themselves disagreeable to those who are regarded as the special representatives of Government in those bodies. And it is very probable that these men may not be included among those who will now form the reconstructed Senates. If this happens, will it be just? My Lord, I am personally not opposed to the idea of a limited Senate, and were the question not complicated by fears of probable injustice in the first reconstruction, I should even be disposed to support the idea strongly. I also recognize that, if we are to have a limited Senate, it is necessary to

provide for a certain number of seats falling vacant every year, so that there should be room for a continuous introduction of qualified new men; and if these vacancies cannot be expected to arise in the natural course of things—by retirement or death—it is necessary to make the Fellowships terminable. But one essential condition in a scheme of a limited Senate with terminable Fellowships is that a large proportion of seats should be thrown open to election, so that those who do not see eye to eye with the special representatives of Government, may not be deterred from taking an independent line by the fear of displeasing Government. But to make the Fellowships terminable in five years and to keep practically nine-tenths of the nominations in the hands of Government will, in my humble opinion, seriously impair all real independence in the deliberations of the University. My Lord, there are in the special circumstances of this country, three different interests which really require to be adequately represented in the University Senate. There is first the Government, which is of course vitally concerned in the character of the education imparted; then there are the Professors and teachers who are actually engaged in the work of instruction; and last, but not least, there are the people of this country, whose children have to receive their education and whose whole future is bound up with the nature of the educational policy pursued. These three interests are not—at any rate, are not always thought to be—identical, and I think it is necessary to secure an adequate representation to each one of them. My Lord, I feel that it is only reasonable to ask that, as far as possible, each interest may be represented by about a third of the whole Senate. Thus, taking the case of Bombay, I would fix the number of ordinary Fellows at 150, and of these, I would have 50 nominated by Government, 50 either elected by or assigned to different Colleges, and the remaining 50 thrown open to election by the graduates of different Faculties of more than ten years' standing. In giving representation to Colleges, I would take into consideration all those points which the Government wants to be considered in affiliating an institution. Of course a majority of the representatives of Colleges will as a rule vote with Government nominees,



and Government will thus have a standing majority in favour of its views. I would make these Fellowships terminable at the end of ten years, which would provide for 15 vacancies every year. I venture to think, my Lord, such a plan will duly safeguard all the different interests. I may mention that in the new Constitution of the London University, out of 54 Fellows, 17 are elected by graduates, 17 by Professors and teachers, 4 are appointed by the Crown, and the rest are nominated by certain bodies and institutions. Failing the plan which I have suggested, I would support the scheme proposed by the Hon'ble Mr. Justice Guru Das Banerji in his minute of dissent. It is impossible for me to support the proposals put forward on this point by Government in the Bill.

My Lord, I must not discuss any of the details of the Bill at this meeting, though I have a good deal to say about many of them. But one or two remarks I will offer on two other points, which in my opinion are points of principle. The first is the provision in the Bill to give at least half the number of seats on the Syndicate for the different Faculties to Professors and teachers. My Lord, I am opposed to this provision. I would give a large representation to these men on the Senate, but having done that, I would leave the Syndicate to be composed of those whom the Senate consider to be best qualified. How would the proposed provision work in the case of the Bombay University? In the Faculty of Arts, the provision will not cause any inconvenience, and, as a matter of fact, the present practice is to have half the men in this Faculty from the ranks of Professors. But in the Faculty of Law, what will be the result? There is only one Law School in Bombay, which is a Government institution. The Professors are generally junior barristers, who stick to their posts till they get on better in their profession. They are generally not Fellows of the University. And yet, if this provision is adopted, they will first have to be appointed Fellows, and then straightaway one of them will have to be put on the Syndicate in place of a High Court Judge or a senior barrister, who represents the Faculty at present on the Syndicate. Again, in the Faculty of

Engineering, the present practice is to elect eminent Engineers in the service of Government. The Engineering College of the Presidency is at Poona, and it will be a matter of serious inconvenience to insist on one of the Professors of that College being necessarily elected a Syndic. Moreover, my Lord, I really think it is not desirable to prop, thus, by means of the statute, men whom the senate—and especially the re-constructed Senate—does not care to put on the Syndicate. Another point on which I would like to say a word is the provision in this Bill that henceforth all institutions applying for affiliation must satisfy the Syndicate that they have provided themselves with residential quarters. In the first place, what is to happen, if they build the quarters, and then find that affiliation is refused? And secondly, I submit that such a condition will practically prevent the springing into existence of new Colleges and will, if made applicable to old Colleges, as the Syndicate is empowered to do, wipe out of existence many of those institutions—especially on this side of India—which in the past have been encouraged by the Government and the University to undertake the work of higher education. I freely recognise the great advantages of residence at a College, but if I have to choose between having no College and having a College without residential quarters, I would unhesitatingly prefer the latter alternative. My Lord, the people of this country are proverbially poor, and to impose on them a system of University education, which even a country like Scotland does not afford, is practically to shut the door of higher education against large numbers of very promising young men.

My Lord, I have spoken at so much length at this stage of the Bill, because the issues involved in this attempt at reform are truly momentous. I confess that there is a good deal in this Bill with which I am in hearty sympathy. But the main provisions of the Bill are so retrograde in character that it is impossible for me to support the measure. My Lord, I have already admitted and I admit again, that there are serious defects in the methods of teaching and of examination pursued at present

in this country. But the present Bill in my opinion offers no remedy calculated to cure the evil. I really think, my Lord, that the Government has begun the work of University reform at the wrong end. It is not by merely revolutionizing the constitution of the Universities that the object which all well-wishers of education in this land have equally at heart will be attained. It seems to me that the first step in the work of real reform is for Government to make its own Colleges model Colleges, and bring out from England the best men available for this work. I would place them on a level with members of the Civil Service, as regards pay and promotion. When I think of the great responsibilities of these men—of how much of the future of this country and of British rule depends upon the influence they succeed in exercising on the young minds committed to their care—and when I think of the more or less stereotyped character of the work which a majority of the Civilians have at present to perform, I am astonished that Government does not see how necessary it is to secure even a better type of men for its Colleges than for the administration of the country. If Government will bring out only the best men available—men who know how to combine sympathy with authority and who, for their learning and character, will continue to be looked up to by their pupils all their life—there will, in a few years, be a marked change in the tone of Government Colleges in India. And the private Colleges will find themselves driven to work up to the level of Government institutions. One word more on this subject and I have done. Let not Government imagine that unless the education imparted by Colleges is the highest which is at the present day possible, it is likely to prove useless and even pernicious; and secondly, let not the achievements of our graduates in the intellectual field be accepted as the sole, or even the most important, test to determine the utility of this education. I think, my Lord—and this is a matter of deep conviction with me—that, in the present circumstances of India, all Western education is valuable and useful. If it is the highest that under the circumstances is possible, so much the better. But even if it is not the highest, it must not on that account

be rejected. I believe the life of a people—whether in the political or social or industrial or intellectual field—is an organic whole, and no striking progress in any particular field is to be looked for, unless there be room for the free movement of the energies of the people in all fields. To my mind, the greatest work of Western education in the present state of India is not so much the encouragement of learning as the liberation of the Indian mind from the thralldom of old-world ideas, and the assimilation of all that is highest and best in the life and thought and character of the West. For this purpose not only the highest but *all* Western education is useful. I think Irishmen should have more faith in the influence of their history and their literature. And whenever they are inclined to feel annoyed at the utterances of a discontented B.A., let them realize that he is but an accident of the present period of transition in India, and that they should no more lose faith in the results of Western education on this account than should my countrymen question the ultimate aim of British rule in this land, because not every Englishman who comes out to India realizes the true character of England's mission here.

*[At a meeting of the Imperial Legislative Council held on the 18th March 1904, His Excellency Lord Curzon presiding, the Hon. Sir Raleigh moved that the Report of the Select Committee on the Bill to amend the law relating to the Universities of British India be taken into consideration. In opposing it, the Hon. Mr. G. K. Gokhale spoke as follows :—]*

My Lord, it is only two weeks to day since the Government of India carried through the Council a highly controversial measure, which had evoked a perfect storm of hostile criticism throughout the country. The echoes of that controversy have not yet died out, when the Council is called upon to consider and pass into law another measure even more contentious and vastly more important than the last one. My Lord, if the position of those who opposed the Official Secrets Bill on the last occasion was, from the beginning, a hopeless one by reason of the large majority which the Government can

always command in this Council, that of those who deem it their duty to resist the passage of the Universities Bill to-day is even more hopeless. In the first place our ranks, thin as they then were, are even thinner to-day. Two of our colleagues who were then with us, are, in this matter, against us and will no doubt give their powerful support to the Government proposals. Secondly, Anglo-Indian public opinion, which was, if anything, even more pronounced than Indian public opinion in its condemnation of the Official Secrets Bill, is, in regard to this measure, for the greater part, either silent or more or less friendly. Thirdly, both Your Lordship and the Hon'ble Member in charge of the Bill are recognized to be distinguished authorities on educational matters, and the Government have further strengthened their position by the appointment to this Council of four prominent educationists from four different Provinces for the special purpose of assisting in the passage of this Bill. Last but not least, not only do the Government attach the greatest importance to this measure, but they also feel most keenly on the subject, as was clearly seen in December last, when the Hon'ble Member in charge of the Bill, in replying to some of my observations, spoke with a warmth which, from one of his equable temper and his philosophic cast of mind, must have surprised the Council, and when even Your Lordship—if I may be permitted to say so—spoke in a tone of severity which I ventured to feel I had not quite deserved. My Lord, it is a matter of every-day human experience that, when men feel strongly on a point, there is a smaller chance of their appreciating properly the case of their opponents than if there were no feeling involved in the matter. The fight to-day is thus for several reasons even more unequal than on the last occasion. But those who are unable to approve the proposals of Government feel that they have an obvious duty to perform in the matter, and they must proceed to the performance of that duty, however heavy may be the odds against them.

My Lord, what is this measure of University reform, round which so fierce a controversy has raged for some

time past? Or I will ask the same question in another form. What is it that this Bill seeks to achieve, which could not have been achieved without special legislation? For an answer to this question we must turn to the provisions of the Bill, and these provisions we may classify under three heads. First, those dealing with the expansion of the functions of the Universities; secondly, those dealing with the constitution and control of the Universities; and, thirdly, those dealing with the control of affiliated Colleges. Of these, I would willingly have assented to the last group, had those provisions stood by themselves—unaccompanied by the constitutional changes proposed in the Bill. My Lord, no true well-wisher of the country can object to the Universities in India exercising a reasonable amount of control over their Colleges, as such control is necessary to enforce properly those obligations which affiliated institutions are understood to accept when they come forward to undertake the responsibility of imparting higher education. But there are reasons to fear that, in the hands of the reconstituted Senates and Syndicates, these provisions will operate to the prejudice of indigenous enterprise in the field of higher education, and this, of course, largely alters their complexion. But whether one's fears on this point are well or ill-founded, one thing is clear—that the present Bill was not needed to enable Universities to exercise this control over their Colleges. For the University of Madras has, under the existing law, framed regulations for this purpose, which are substantially the same as those contained in this Bill; and what Madras has done, the other Universities could very well do for themselves. Surely, all this convulsion, which the Bill has caused, was not necessary to enable these bodies to do that which they have the power to do under the existing law! Again, in regard to the provisions empowering the Universities to undertake teaching functions, I hope I am doing no injustice to the authors of the Bill, if I say that they themselves attach only a theoretical value to these provisions. The Allahabad University has possessed these powers for the last sixteen years, and yet that University is as far from undertaking such functions as

any other in India. The truth, my Lord, is that, in addition to other difficulties inherent in the position of our Universities, their conversion into teaching bodies, even to the limited extent to which it is possible, is essentially a question of funds, and as there is no reason to assume that private liberality will flow in this direction after the Bill becomes law, and Government will not provide the resources necessary for the purpose, these enabling clauses are, as in the case of Allahabad, destined to remain a dead letter for a long time to come. The Government themselves do not seem to take a different view of the matter, as, after including these provisions in the Bill, they are content to leave the rest to time, with the expression of a pious hope that some day somebody will find the money to enable some University in India to undertake teaching functions! While, therefore, I am prepared to recognise that these provisions embody a noble aspiration, I must decline to attach any great value to them for practical purposes, and, in any case, they are no set off against the drastic changes proposed in the constitution of the Universities. We thus see that for enabling the Universities to exercise efficient control over their Colleges this Bill was not required at all; while, though new legislation was necessary to enable the older Universities to undertake teaching functions, a Bill so revolutionary in character was not needed for the purpose. The claim of the Bill to be regarded as an important measure of reform must, therefore, rest on the provisions dealing with the constitution and control of the Universities. My Lord, I have tried to examine these provisions as dispassionately as I could and to put as favourable a construction on them as possible; and yet I cannot resist the conclusion that, while the good they may do is at best problematical, the injury that they will do is both certain and clear. In the minute of dissent which I have appended to the Select Committee's Report, I have discussed at some length the real nature and the probable effect of these provisions. I have urged there five principal objections to the constitutional portion of the Bill, namely, (1) in making a clean sweep of existing Senates and in giving them no

voice whatever in the nomination of the first new Senates, the Bill inflicts an unmerited indignity on men who have on the whole done good work in the past; (2) the Bill fails to provide for election by Professors, and yet this is the class of men that has more immediate interest than any other in the deliberations of the University; (3) the numbers of the new Senates are fixed too low; (4) the proportion of seats thrown open to election is too small, while that reserved for Government nomination is too large; and (5) the five years' limit to the duration of a Fellowship aggravates the evil of an overwhelming number of seats being in the gift of Government. And I have expressed my belief that the effect of these provisions will be virtually to dissociate the Indian element from the government of the Universities and to put all directive and administrative power into the hands of European Professors within such limits as the Government may allow. The supporters of the Bill practically admit the correctness of this contention by saying that the main purpose of the Bill is to get rid of the old Senates, which contain a large unacademic element, and to create new Senates, which shall be academic in their composition, under guarantees of their always retaining this character. It is urged by these men that, as the Universities are intended for imparting Western education, it is only proper that their direction should be mainly in the hands of Europeans; and we are further told that the presence of a large unacademic element in the existing Senates has tended to lower the standard of University education and to impair discipline. Especially has this been the case, so we are assured, with the University of Calcutta, and a writer, writing under the name of 'Inquisitor,' has spent considerable industry and ingenuity in demonstrating how both efficiency and discipline have suffered as a result of Indians—especially Indians unconnected with the profession of teaching—having a substantial voice in the deliberations of that University. My Lord, I am myself personally unacquainted with the working of the Calcutta University, but I have made inquiries, and I find that, while there may be some room for the complaint which 'Inquisitor' makes, the evil has been greatly exaggerated,



and, in any case, there are facts on the other side which he might well have included in his statement. For instance, he might have told us that in 1881 no less an educationist than Sir Alfred Croft brought forward a proposal for removing classical languages from the list of compulsory subjects, and it was mainly by the votes of the Indian Fellows present and by the casting vote of the chairman that the proposal was rejected. I would like to know how the Hon'ble Mr. Raleigh or the Hon'ble Dr. Bhandarkar would regard such a proposal to-day. Again, we find that, in 1893, a Committee consisting almost entirely of educational experts, including several prominent European educationists, declined to approve a rule laying down that no teacher in a recognized school should teach more than sixty pupils at the same time, Dr. Gurudas Banerjee being the only member of the Committee who stood out for such a rule. In 1894, on a motion brought forward by Surgeon Colonel McConnell, supported by Professor Rowe and Surgeon Colonel Harvey, the regulation which required candidates for the M.D. degree to have passed the B.A. examination was rescinded, and it is worth remembering that the motion was opposed by an Indian member, Dr. Nil Ratan Sarkar. Even in the well-known case of a prominent Calcutta College, when a serious charge was brought against the working of its Law Department, it is a remarkable circumstance, which, 'Inquisitor' might have mentioned, that the Syndicate, which proposed a temporary disaffiliation of the Law branch of the College, was unanimous in making the recommendation, and of the nine members who voted for this proposal, seven were Indians, six of them being again unconnected with the profession of teaching. My Lord, I have mentioned these few facts to show that a wholesale condemnation of Indian Fellows—even of such of them as have been unconnected with the work of education—is neither fair nor reasonable, and that the position in reality comes very much to this—that, when Englishmen have proposed changes in the existing order of things, nothing is said, but, when similar changes have been proposed by Indian Fellows, the cry that efficiency or discipline is in danger has been raised without much hesitation by those

who would like to keep the management of University affairs mainly in European hands.

My Lord, if any one imagines that the passing of this Bill will lead to an improvement in the quality of the instruction imparted in Colleges, he will soon find that he has been under a delusion. Even those who make the more guarded statement that the Bill, by providing an improved machinery of control, will bring about a steady and sure reform in the character and work of affiliated institutions, will find that they have been too sanguine in their expectations. My Lord, after nearly twenty years' experience as a teacher, I lay it down as an incontestable proposition that a teacher's work with his students is but remotely affected by the ordinary deliberations of a University, and that, if he finds that he is unable to exercise on their minds that amount of influence which should legitimately belong to his position, he may look within himself rather than at the constitution of the Senate or the Syndicate for an explanation of this state of things. Of course in regulating the courses of instruction, and prescribing or recommending text-books, the University determines limits within which the teacher shall have free scope for his work. But these courses of instruction, once laid down, are not disturbed except at considerable intervals, and in regard to them as also in regard to the selection of text-books the guidance of the expert element is, as a rule, willingly sought and followed. The substitution of an academic Senate for one in which there is a considerable mixture of the lay element will no doubt effect some change in the character of the University debates; but that cannot affect the work done in Colleges in any appreciable degree. For an improvement in this work, we want better men, more money and improved material. The first two depend, so far as Government Colleges are concerned, on the executive action of Government, which could be taken under the old law and which has no connection whatever with the present Bill. And when an improvement takes place in the manning and equipment of Government institutions, the private Colleges will find themselves driven, as a matter of course, to raise their

level in both these respects. As regards improvement in the material on which the College Professors have to work, that depends on the character of the instruction imparted in secondary schools, and the character of the examinations prescribed by the University. Of these two factors, the education given in High Schools is not affected by this Bill and the character of the examinations, which I have long felt to be most unsatisfactory, will continue practically the same under the new *régime* as under the old, since examiners will continue to be drawn from the same class as now, and the conditions of their work will also continue the same.

Unless, then, there is an improvement in the manning and equipment of Colleges, and in the quality of the material on which Professors have to work, it is idle to expect any improvement in the work done in these Colleges. My Lord, I go further and say that, even if better men and more money and improved material were available, the improvement is bound to be slow. The three factors of men, money and material will have to act and re-act on one another continuously for some time before a higher academic atmosphere is produced, without which there can be no real elevation of the standard of University education. To this end, the Bill has, as far as I see, very little contribution to make. There is, indeed, one way in which the Bill can help forward such a result, and that is—if under its operation the Universities are enabled, by funds being placed at their disposal, to establish University chairs. The institution of such chairs, especially if supplemented by a large number of research scholarships in the different Provinces for advanced students, will powerfully stimulate the creation of that higher academic atmosphere of which I have spoken. But it seems this is just the part of the Bill which will not come into operation for a long time to come. It will thus be seen that the Bill has very little connection with the improvement of the work done in the affiliated Colleges of the Universities. It may, however, be said that the creation of academic Senates is in itself a desirable end, since, in other countries, the government of the Universities is in the hands

of those who are engaged in the work of teaching. My Lord, my reply to this argument is that the whole position is exceptional in India; and that it is not fair to the people of this country that the higher education of their children should be under the exclusive control of men who want to leave this country as soon as they can, and whose interest in it is, therefore, only temporary. Of course, the Professors must have a substantial voice in the deliberations of our Universities; but with them must also be associated, almost on equal terms, specially for the purpose of determining the broader outlines of educational policy, representatives of the educated classes of India. And, my Lord, it is because the Bill proposes to ignore this aspect of the question, and practically reverses the line of policy adopted by Government in this matter for the last half a century that I look upon the measure as a distinctly retrograde one. The highest purpose of British rule in India, as I understand it, is not merely to govern the country well, but also to associate, slowly it may be, but steadily, the people of this country with the work of administration. In proportion as a given measure helps forward this purpose, it makes for true progress. Whatever, on the other hand, has the contrary tendency deserved to be declared as reactionary. There is no doubt whatever that under this Bill the proportion of Indian members in the Senates of the different Universities will be much smaller than at present. The Fellows elected by graduates will, as a rule, be Indians; the Faculties will consist almost entirely of Government nominees and of such other persons as these nominees may co-opt. There is not much room for the hope that any considerable proportion of the Fellows elected by these Faculties will be Indians. As regards Government nominations, their choice will naturally first fall on European educationists; then will come European Judges, Barristers, Civilians, Engineers, Doctors and such other people. As the numbers of the new Senates are now to be very small, one can easily see that there is hardly any margin for the inclusion of any except a very few most prominent Indians in the Government list. The Senators of the future will thus be dominantly Europeans, with only a slight sprinkling of Indians just to keep up

appearances. And it is these Senates and the Syndicates elected by them that are armed with powers of control over affiliated Colleges, which may easily be abused. My Lord, it fills me with great sadness to think that, after fifty years of University education in this country, the Government should have introduced a measure which, instead of associating the Indian element more and more with the administration of the Universities, will have the effect of dissociating it from the greater part of such share as it already possessed. I think the ascendancy of English men in India in any sphere of public activity should rest, if it is to be of real benefit to the country, on intellectual and moral, and not on numerical or racial grounds. My Lord, in your speech on the Budget of last year, Your Lordship thought it necessary to address a caution to the opponents of this Bill. You asked them not to assume that 'all the misguided men in the country were inside the Government, and all the enlightened outside it.' If any of the critics of this Bill had ever made such a preposterous assumption, they well merited the caution. But it sometimes seems to me that the supporters of this Bill argue as though the reverse of that assumption was justified, and that every one who was opposed to this Bill was either a misguided person or an interested agitator. My Lord, I do hope that, whatever our deficiencies, we are not really so dense as to be incapable of understanding what is now our interest, and what is not, nor, I hope, are we so wicked and ungrateful as to bite the hand that is stretched to feed us. It is because we feel that this Bill is of a most retrograde character and likely to prove injurious to the cause of higher education in the country that we are unable to approve its provisions, and it is because I hold this view that I deem it my duty to resist the passage of this Bill to the utmost of my power.

*[At the same meeting, while the Report of the Select Committee was being considered, the Hon'ble Mr. Gokhale moved that, from the preamble, the word "Bombay," wherever it occurs, and the reference to Act XXII of 1857 be omitted, and the words "except Bombay" be added after the words "British India." He said :—]*

My Lord, my object in moving this amendment is to enter my protest at this Council against the Government of India proposing to deal in one Bill with five different Universities, having different histories and growth, and to raise my voice in a formal manner against the unjust condemnation which this Bill impliedly passes on the work and character of the Bombay University as at present constituted. In the course of the discussions in the Select Committee over this Bill, the case of the Calcutta University was again and again mentioned to justify the inclusion within the Bill of provisions to which exception was taken on the ground that they were unnecessary and might even prove harmful in other Provinces. We were repeatedly told that the Calcutta University had drifted into such a position that there was no hope for it without a drastic measure of reform, such as is contemplated in this Bill. My Lord, if the state of things in Calcutta was really so hopeless, what was there to prevent the Government from undertaking an amendment of the Calcutta University Acts on such lines as they thought proper? The wisdom and foresight of those who passed the original Acts of Incorporation for the three older Universities had made it easy for the Government to adopt such a course. Those Acts were identical in their wording, and yet they were passed separately for each one of the three Universities, so that whatever amendment was subsequently found necessary as a result of the special circumstances of each case might be made without interfering with the natural growth of the other Universities. Or, if the Government of India wanted that certain general principles should be introduced or emphasized in the constitution of the different Universities in India, the proper course for them to pursue was to have laid down these principles in a general Resolution, and to have directed the Local Governments to introduce amending legislation to give effect to them without doing any undue and unnecessary violence to the special character and growth of each University. It would then have been possible to legislate for the different Universities in India with a full knowledge of local conditions, and after giving due weight to local objections and criticisms. And we should not have witnessed the spectacle of men

generalizing for five Universities from their knowledge of a single University, and assisting in the work of legislation for Universities other than their own, in greater or less ignorance of their special conditions. If the amending legislation for Bombay had been undertaken in the Bombay Legislative Council instead of here, I am confident that the Bill would have been much more satisfactory, as the changes proposed would have had to face the fullest discussion and the closest scrutiny on the spot. My Lord, I see no justification for extending the provisions of this Bill to the case of the Bombay University; the record of that University is on the whole such that it may well regard it with a sense of satisfaction. It has been a record of powers well and judiciously exercised, of continuous attempts to raise the standard of education by a revision of the courses of instruction from time to time, and in other ways. Take, for instance, the question of the affiliation of Colleges. There are only eleven Arts Colleges in the whole of the Bombay Presidency, and of these, only one is a second grade College, and that is in the Native State of Kolhapur. Of these eleven Colleges, two are Government institutions, four more are in Native States with the resources of these States at their back, two more are maintained by Municipal bodies with the assistance of the Government and of the general public, and only three are private Colleges, of which two are missionary institutions and one only of indigenous growth. All these private Colleges receive substantial grants-in-aid from Government. In the case of not a single one of these Colleges can it be said that it has been started for private gain. Their constant endeavour has been to place better and better facilities for real education at the disposal of their students. All these Colleges, with the exception of the second grade College at Kolhapur, provide residence in College for at least a part of their students. In my College we have built residential quarters for more than half of our students, and two of our Professors reside on College grounds. A large spot of 37 acres in one of the finest localities outside the City of Poona has been secured for the College, and College buildings with residential quarters for the students

and houses for Professors have been built thereon. We are making continuous additions to our library and laboratory, and in fact no effort is being spared to make the College as much a seat of true College life as it is, in existing circumstances, possible. What is true of my College is true of other Colleges in the Presidency also. Only Bombay and Poona have more than one College each, Bombay having three and Poona two. No suggestion has ever been made that any College encourages a spirit of low rivalry such as is justly objected to by the Universities Commission in their Report: there is of course room, great room, for improvement in the Bombay Colleges; but that is, in reality, a question of men and means, and this Bill has no connection with it. Again, it cannot be urged with any regard for fairness that the Bombay Senate has ever attempted to lower the standard of efficiency or discipline. On the other hand, it has steadily striven to raise its standards for the different examinations. Thus, taking its work in the Faculty of Arts, we find that it has extended the old course of three years between Matriculation and B. A. to four years: substituted two examinations in place of the old F. E. A., made History and Political Economy compulsory subjects in the B. A., and raised considerably the standard of English and the classical languages required for the several examinations. In all matters relating to courses of instruction and the selection of text-books, it has invariably followed the advice of educational experts. So far as I know, there have been only two occasions of importance on which there has been a difference of opinion between a majority of European educational experts and the general body of the Senate, but these were matters not specially falling within the particular sphere of the experts, and in regard to both of them I think the Senate was right in its decision. One such occasion was when the Deans of the several Faculties were made *ex-officio* members of the Syndicate. Though the experts opposed this reform at the time, they themselves admit now that it has proved useful. The second occasion was when an attempt was made to introduce examinations by compartments after the Madras



system. The reform was recommended by a Committee which included two European educationists—Dr. Peterson and the Rev. M. Scott; but a majority of European experts in the Senate opposed it, and, though the proposal was carried in the Senate, it was subsequently vetoed by Government. But whatever difference of opinion there may be about the soundness or unsoundness of the proposal, I think it is absurd to describe it as an attempt to lower the standard of University education. It may be asked why, if the state of things has on the whole been so satisfactory in Bombay, so many of the European educationists there are supporting the Bill. The answer to that, I think, is simple. By this Bill the Government of India go out of their way to make a present of a permanent monopoly of power to European educationists, and it is not to be expected that they should raise any objection to such a course. One of the strongest supporters of this Bill on our side is our present Vice-Chancellor. He was a member of the Universities Commission and has signed the Commission's Report. Well, twelve years ago, when an attempt was made by the Bombay University to secure an amendment of its Act of Incorporation, Dr. Mackichan took a most active part in the deliberations of the Senate. And he then was strongly in favour of fixing the number of Fellows at 200, of giving no statutory recognition to the Syndicate with or without a Professorial majority, and of leaving a large measure of independence to the University. Of course, he has every right to change his views, but that does not mean that those who now hold the views which he so strongly advocated twelve years ago are necessarily in the wrong. My Lord, it is true that certain educational experts have in the past exercised a commanding influence in the deliberations of our Senate, and it is also true that men who have succeeded to their places have not necessarily succeeded to that influence. But the great educationists who ruled our University in the past did so not merely because they were educational experts but because they are men bound to lead wherever they were placed. Such great influence has also sometimes been exercised by men not actually engaged in the work of teaching. Of the former

class, Sir Alexander Grant and Dr. Wordsworth may be mentioned as the most shining examples. Of the latter class have been men like Sir Raymond West, the late Mr. Telang, the late Mr. Ranade and the Hon'ble Mr. P. M. Metha—all lawyers, be it noted. Their influence has been due to their great talents and attainments, their sincere devotion to the cause of higher education, and their possession of that magnetic personality without which no man, however learned, can hope to lead even in a learned assembly. To object to the ascendancy of such men over the minds of their Fellows is really to quarrel with the laws of human nature. My Lord, I submit the Bombay Senate has not deserved to be extinguished in so summary a fashion as this Bill proposes, and I, therefore, move that the Bill be not extended to Bombay.

*[At the same meeting, replying to the remarks of other members on his amendment, the Hon. Mr. Gokhale made the following speech :—]*

In replying to the speeches made on my amendment, I would first deal with what has fallen from the Hon'ble Sir Denzil Ibbetson. The Hon'ble Member imagines that I have stated that the Senate of Bombay needs no reform whatever, and that things are so satisfactory that everything ought to be kept as it is. My memory does not charge me with having ever said any such thing. I have made two speeches in this Council and written a note of Dissent. Nowhere have I said that the state of things in Bombay ought to be allowed to continue as it is and that no reform is needed: but because I am not prepared to say that the state of things is wholly satisfactory, therefore, it does not follow that I am bound to accept or approve of every suggestion of those who have undertaken the work of reform. As regards the complaint that we have no alternative remedy to propose, I submit, my Lord, that it is not a just complaint. As a matter of fact, Sir Raymond West, an eminent educationist, had drafted a Bill for reforming the constitution of the Bombay University more than twelve years ago. This had met with the acceptance of a large number of persons interested in the work of education, and, if reference is made to

that measure, Government will find that there is an alternative scheme, which would be generally acceptable. The Hon'ble Member says that, if Dr. Mackichan has changed his views after twelve years, that is an argument in favour of this Bill. But when Dr. Mackichan expressed these views, he had already been Vice-Chancellor of the University, and if a man's views are in a fluid condition even when he has attained so high a position, I don't think that his change of views should carry so much weight as the Hon'ble Member seems inclined to attach to it.

Then the Hon'ble Sir Denzil Ibbetson says that, if this amendment is accepted, and if some other amendment is accepted, and if a third amendment is accepted, there will be very little left of the Bill. I, for one, will rejoice if the Bill is withdrawn altogether. We are not bound to pass a Bill as it stands, simply because it will be useless, if we do not pass the whole of it.

With regard to what has fallen from the Hon'ble Dr. Bhandarkar—the learned Doctor was my Professor at College, and I cannot speak of him or of anything that falls from him except with great reverence—I would ask him to state facts as well as opinions which, I may remark, derive additional weight if based on facts. I would like to know what reforms in the course of instruction were proposed by the experts and resisted by the lay members of the Senate.

The Hon'ble Mr. Raleigh, to whose appreciative remarks about the Bombay University I listened with great pleasure, takes the same view as Dr. Bhandarkar, and he says that he was told by certain educational experts and Professors in Bombay that it was hopeless to get a hearing for any matter of educational reform at the meetings of the Bombay Senate. My answer to that is what I have already given to Dr. Bhandarkar. I would like to know the instances in which this occurred, because facts in this controversy are of more value than mere statements: I would like to know in how many cases attempts were made to introduce measures of reform by

the experts, and in how many they were defeated in their attempts by the opposition of the non-expert element.

If these men merely stayed at home and thought that no reform that they proposed was likely to be accepted, and, in consequence, they did not attend the meetings of the Senate, I think their position there was not quite justified. A member should not sit quietly at home under the impression that he would not get a hearing, and he failed in his duty unless he took active steps to introduce any measure of reform. The Hon'ble Member referred to Mr. Paranjpye of my College and to the evidence he gave when fresh from England. I shall be delighted if the Bombay University allows men like Mr. Paranjpye to regulate their courses of mathematical instruction, but I have here the authority of my friend Dr. Mukhopadhyaya that it is difficult to get the Calcutta University to revise its mathematical courses of instruction because of the opposition of the experts. As a matter of fact, the strongest opposition to reform very often comes from men who are themselves teachers, whose standard is not very high, who are unwilling to read new books and who object to leaving familiar grooves. It is the professors of the Bombay Colleges that have for many years practically ruled the Syndicate, and I would like to know how often they used their power to effect reforms which they now say they have long been anxious to introduce.

*[At the same meeting, the Hon. Rai Sri Ram Bahadur moved that from the preamble the word "Allahabad" and the reference to Act XVIII of 1887 be omitted, and the words "except Allahabad" be added after the words "British India." When some members had spoken against the amendment, the Hon. Mr. Gokhale supported it in the following speech :—]*

My Lord, I have really no special knowledge of the state of things in Allahabad, but my curiosity has been aroused by the Hon'ble Mr. Raleigh's speech, and I trust Your Lordship will excuse a brief intervention on my part in this discussion. The Hon'ble Member says that when the Commission took evidence in Allahabad

certain witnesses gave evidence to the effect that the state of things there was not quite satisfactory. Now I would really like to know who these mysterious advisers of the Commission were. They could not have had much weight with the Government, since the Government of the United Provinces has expressed its disapproval of this Bill. They could not be men holding prominent positions in the educational world, since their most prominent educationists are members of the Syndicate, and the condemnation of the Bill by the Syndicate is described by the Registrar to be unanimous or nearly unanimous. They could not also be representatives of the general public, since the Graduates' Association, as representing the views of the general public, has expressed its disapproval of this Bill. If certain stray witnesses gave evidence to the effect that the state of things in Allahabad was not satisfactory, surely neither the Commission nor the Government of India were justified in placing that above the opinion of the Local Government and of the educational experts.

My Lord, this question really raises another much larger question, and that is, are the Supreme Government justified—not legally, because they have the power legally—but morally, in over-riding the wishes of the Local Government? The Supreme Government in this matter is merely a representative of authority: it is not a representative of educational knowledge or learning, though, in the present case, particular members of the Government may occupy distinguished positions in the educational world. And as the Government of India only represents authority, and this authority has been delegated for local purposes to the United Provinces Government, when the Government is opposed to a measure like this, I think the Government of India has no moral right to impose a measure like this upon those Provinces.

There is another point about which I would say a word—and that has been suggested to me by the course of this discussion in support of having one and the same Bill for all these different Universities. That argument seems to me to be moving in a vicious circle. We are asked to pass this Bill for all the five Universities together, but we

are practically told that, if each University had stood by itself, such a Bill would not have been introduced in its case. Thus the Hon'ble Mr. Raleigh has told us that, had the Bombay University stood alone, such legislation as the one proposed would not have been undertaken. He also says that the Calcutta University is as good as any other. Then Sir Arundel Arundel tells us that, if Madras alone had been affected by the Bill, it would not have been required; the Hon'ble Sir Denzil Ibbetson protests that the Punjab University is not a whit behind any others; and lastly, Mr. Morrison says that the Allahabad University is really the best of all Universities. I would really like to know then which University it is whose sins have brought down upon the heads of all the wrath of the gods.

*[At an adjourned meeting of the Imperial Legislative Council, held on Monday the 21st March 1904, His Excellency Lord Curzon presiding, the Hon. Sir T. Raleigh moved that the Indian Universities Bill, as amended, be passed. In resisting the motion, the Hon. Mr. Gokhale delivered the following speech :—]*

My Lord, the struggle is over. The opponents of the Bill have lost all along the line; and it only remains for them now to count up their losses—for gains they have had none. Let those who will say what they will; this Bill amounts to an emphatic condemnation, as unmerited as it was unnecessary, of the educated classes of this country. It amounts to a formal declaration on the part of the Government of India, made with the concurrence of the Legislative Council, that the system of University education which has been in vogue in this country for the last fifty years has been a failure, and that the men educated under that system have proved themselves unworthy of being associated, in any appreciable degree, with the administration of their own Universities. My Lord, I feel that my educated countrymen have a right to complain that this condemnation has been passed on them without giving them a fair hearing. I do not, of course, refer to the hearing which has been given to the opponents of this measure in this Council—for I gladly acknowledge the unfailing courtesy and patience with which the Hon'ble

Member in charge has conducted the Bill through the Council—but I refer to the fact that the Government of India decided to make these drastic changes on the one-sided representations of men who considered that because they were engaged in the actual work of teaching, therefore, they were entitled to a virtual monopoly of power in the Universities. Five years ago, when Your Lordship first announced that the Government of India intended taking up the question of University reform, the announcement was hailed with satisfaction and even with enthusiasm all over the country. Last year, speaking on the occasion of the Budget debate, Your Lordship wondered how it was that the appetite of the educated classes for University reform, at one time so keen, had suddenly died down. My Lord, the explanation of the phenomenon lies on the surface. Five years ago, when this question was first taken up, Your Lordship defined your attitude towards University reform in a speech made as Chancellor of the Calcutta University at the Convocation of 1899. In that speech, after pointing out the difference between a teaching University and an examining University, Your Lordship proceeded to observe as follows:—

Nevertheless, inevitable and obvious as these differences are, there may yet be in an examining University—there is in such institutions in some parts of my own country and still more abroad—an inherent influence inseparable from the curriculum through which the student has had to pass before he can take his degree, which is not without its effect upon character and morals, which inspires in him something more than a hungry appetite for a diploma, and which turns him out something better than a sort of phonographic automaton into which have been spoken the ideas and thoughts of other men. I ask myself, may such things be said with any truth of the examining Universities of India? I know at first sight that it may appear that I shall be met with an overwhelming chorus of denial. I shall be told, for I read it in many newspapers and in the speeches of public men, that our system of higher education in India is a failure, that it has sacrificed the formation of character upon the altar of cram, and that Indian Universities turn out only a discontented horde of office-seekers, whom we have educated for places which are not in existence for them to fill. Gentlemen, may I venture to suggest to you that one defect of the Anglo-Saxon character is that it is apt to be a little loud both in self-praise and in self-condemnation? When we are contemplating our virtues, we sometimes annoy other people by the almost pharisaical complacency of our transports; but, equally, I

think, when we are diagnosing our faults, are we apt almost to revel in the superior quality of our transgressions. There is, in fact, a certain cant of self-depreciation as well as of self-laudation. I say to myself, therefore, in the first place, is it possible, is it likely, that we have been for years teaching hundreds and thousands of young men, even if the immediate object be the passing of an examination or the winning of a degree, a literature which contains invaluable lessons for character and for life, and science which is founded upon the reverent contemplation of nature and her truths, without leaving a permanent impress upon the moral as well as the intellectual being of many who have passed through this course? I then proceed to ask the able officials by whom I am surrounded, and whose assistance makes the labour of the Viceroy of India relaxation rather than toil, whether they have observed any reflection of this beneficent influence in the quality and character of the young men who enter the ranks of what is now known as the provincial service; and when I hear from them almost without dissent that there has been a marked upward trend in the honesty, the integrity, and the capacity of native officials in those departments of Government, then I decline altogether to dissociate cause from effect. I say that knowledge has not been altogether shamed by her children, grave as the defects of our system may be, and room though there may be for reform. I refuse to join in a whole sale condemnation which is as extravagant as it is unjust.

My Lord, the generous warmth of this most sympathetic utterance at once kindled throughout the country a great hope, and for a time it was thought that we were on the eve of a mighty reform which would change the whole face of things in regard to higher education in India. A liberal provision of funds for the encouragement of original research and of higher teaching, the institution of an adequate number of substantial scholarships to enable our most gifted young men to devote themselves to advanced studies, an improvement in the status and mode of recruitment of the Educational Service so as to attract to it the best men available, both European and Indian, the simplification of the preliminary tests, with a single stiff examination at the end of the course for ordinary students, so as to discourage cramming as far as possible—these and other measures of reform appeared to be almost within sight. It was, however, not long before the new-born hope that had thus gladdened our hearts was chilled to death, and we found that, instead of the measures we were looking for, we were to have only a



perpetuation of the narrow, bigoted and inexpansive rule of experts. My Lord, it has been too freely assumed in the course of the discussions over this Bill that all experts as a body are necessarily in favour of particular changes, and that laymen, on the other hand, as a class, are opposed to them. When the new regime is inaugurated, it will soon be discovered that it is a great mistake to think so. It is a matter of general experience that the greatest opposition to change has generally come from some of the experts themselves—the older men among the experts, who rarely regard with a friendly eye any proposal to make a departure from the order of things to which they have been long accustomed. The younger experts, on the other hand, always imagine that, unless changes of a radical character are introduced so as to reproduce, in however faint a manner, the condition of things with which they were familiar at their own University, the education that is given is not worth imparting. And as the older experts have naturally more influence, their opposition generally prevails, and in course of time the appetite of the younger men for reform gradually disappears. However, my Lord, I am sure the Council is quite weary now of listening to any more arguments about the rule of experts or any other features of the Bill, important or unimportant. Moreover, I have already twice spoken on the general character of the Bill. And I will therefore now refer to one or two points only, that arise out of this discussion, before I bring my remarks to a close. My Lord, it is to my mind a painful and significant circumstance that the present condemnation of the educated classes has been passed at the instance of men engaged in the work of education. I am astonished that these men do not realize that a part at least of this condemnation is bound to recoil on their own heads. The Hon'ble Mr. Pedler has told the Council of dishonest clerks, unscrupulous managers of Colleges, and convict Graduates. I do hope, for the Hon'ble Member's own sake as much as for the credit of the educated classes, that there has been another and a brighter side to his experience. Else, my Lord, what a sad sense of failure he must carry with him into his retirement! Happily all educationists

have not been so unfortunate in their experience nor, if I may say so, so one-sided in their judgments. There have been men among them who have regarded the affection and reverence of their pupils as their most valued possession, who have looked upon the educated classes with a feeling of pride, and who have always stood up for them whenever anyone has ventured to assail them. One such Professor, within my experience, was Dr. Wordsworth, grandson of the great poet—a man honoured and beloved as few Englishmen have been on our side. Another such man is Mr. Selby, whose approaching retirement will inflict a most severe loss on the Education Department of our Presidency. My Lord, I am aware that it is invidious to mention names; but these two men have exercised such abiding influence over successive generations of students during their time that I feel no hesitation in offering a special tribute of recognition and gratitude to them. Their hold over the minds of their pupils has been due, not only to their intellectual attainments, but also to their deep sympathy with them as a class which they had helped specially to create. I believe that such men have never had occasion to complain that their views on any subject did not receive at the hands of educated Indians the consideration that was due to them. It is through such men that some of England's best work in India is done; it is these men who present to the Indian mind the best side of English character and English culture. It is such men that are principally wanted for the work of higher education in India in the present state of things, and the best interests of both the rulers and the ruled may safely be entrusted to their keeping. I think, my Lord, there is practically no limit to the influence which a truly great Professor who adds to his intellectual attainments, sympathy and love for his pupils may exercise over the minds of Indian students, whose natural attitude towards a teacher, inherited through a long course of centuries, is one of profound reverence. The recent Resolution of the Government of India on the subject of education strikes the right note when it says: 'Where the problems to be solved are so complex, and the interests at stake so momentous, India is entitled to ask for the highest intellect

and culture that either English or Indian seats of learning can furnish for her needs.' If the principle enunciated in this sentence be faithfully acted upon, it will go a long way to counteract the evil which is apprehended from the passage of this Bill. How far, however, this will be done, remains to be seen. Meanwhile, the old order will change, yielding place to new. My Lord, one cannot contemplate without deep emotion the disappearance of this old order; for with all its faults, it had obtained a strong hold on our attachment and our reverence, and round it had sprung up some of our most cherished aspirations. For the present, however, the hands of the clock have been put back; and though this by itself cannot stop the progress of the clock while the spring continues wound and the pendulum swings, there can be no doubt that the work done to-day in this Council Chamber will be regarded with sorrow all over the country for a long time to come.

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## THE UNIVERSITIES VALIDATION ACT.

*[At a meeting of the Imperial Legislative Council, held on Friday the 3rd February 1905, His Excellency Lord Curzon presiding, the Hon. Mr. H. Eyle Richards moved for leave to introduce a Bill to validate action taken under the Indian Universities Act 1904. The Hon. Mr. G. K. Gokhale opposed the motion in the following speech :—]*

My Lord, I beg to oppose this motion. It was only last night that I received the agenda paper of this meeting and then I saw that it was proposed to introduce a measure of this kind at to-day's Council. There was, however, no copy of the Bill with the agenda paper—there is no copy even now before me on the table—so I was entirely in the dark until I heard the speech of the Hon'ble Member in charge of the Bill about the precise nature and scope of the proposed legislation. Now, my Lord, I respectfully submit that this is somewhat hard on Members of this Council. For I find myself compelled, if I want to enter my protest at all, to speak just on the spur of the moment, without any opportunity to look up facts and references, relying solely on my mere recollection of things. My Lord, I was one of those who did their utmost last year to prevent the passage of the Universities Bill. But having done that, as soon as the Bill was passed, I was among those who recognised the wisdom of the appeal so earnestly made by His Honour the Lieutenant-Governor of Bengal to both friends and opponents of the measure that they should after that bury their differences and in the best interests of higher education endeavour to co-operate with one another to make the Act a success. I should, therefore, have been glad if there had been no occasion for me to oppose any further the proposals of Government in regard to the Universities of India. But as the Government have thought fit to introduce the present measure, and as I disapprove of it most strongly, there is no course open to me but to offer it such resistance as I

can. My Lord, I interpret the Hon'ble Member's speech as a practical admission that the notifications which the Chancellors in the different Provinces have issued are illegal and *ultra vires* and that the action taken under them cannot be sustained. For, if there had been the faintest possibility of the notifications being upheld by the High Courts, the Government, I am sure, would not have taken this unpleasant and not wholly dignified course of coming to the Legislature to validate what they have done. Now, my Lord, one might easily ask the question how such illegal notifications came to be issued, for, with the resources at the disposal of the various Governments in the matter of expert legal advice and in other ways, the public have a right, even in this country, to expect work less careless than that. But when a mistake has been admitted, in public life as in private life, the less one dwells on it the better. But though I do not care to press the question how these notifications came to be issued, I must protest emphatically against the course proposed to be adopted to set right the illegality that has been committed. I think, my Lord, the only proper course for the Supreme Government on this occasion would have been to call upon the various Chancellors to withdraw these objectionable notifications and substitute others in their place more in accordance with the law. Instead of following this plain course, the Government have chosen to come to the Legislature with proposals to remedy, not any defect in the law, but a serious illegality committed in taking action under the law, and persisted in, in spite of warnings and protests. My Lord, in all civilised countries there is a well-understood and well-defined distinction between the Legislature and the executive Government, and the Legislature is regarded as higher than the executive. In India unfortunately this distinction for the most part is of only a nominal character; for, with the present constitution of the Councils, the Executive Government can get what law they please passed by the Legislature without the slightest difficulty. I submit, however, that it is not desirable, it is not wise, that this fact should be forced on the attention of the public in so unpleasant a manner as on this occasion, and I think the distinction

becomes a farce if our Legislature is to be thus at the beck and call of the Executive Government, and if it is to be called upon to exercise its powers of legislation to remedy defects, not in existing laws, but in executive action taken under those laws. My Lord, I respectfully, but emphatically, protest against this lowering of the dignity of the Legislature. Of course there is nothing to prevent the Government legally from coming to the Legislature with such proposals as they please. But I venture to think that there are moral limits on the competency of the Government in this matter. I think that the Government should come forward with proposals of amendment only in the event of the existing law being found so defective as to be unworkable, errors in executive action being set right as far as possible by executive action alone. I can imagine a case where, soon after passing a measure the Government suddenly discover a flaw which makes it impossible to carry the measure into practice. In such a case, however, one may regret the necessity of amending legislation, one would be prepared to regard the position of Government with a certain amount of sympathy. But that is not the case on the present occasion. It is not contended that no executive remedy is possible to set matters right, for, by withdrawing the present notifications and substituting others in accordance with law, the whole difficulty can be got over. The Hon'ble Member has told us that this would involve much loss of precious time and of valuable work already in process of being done. Surely this is not such a calamity as to justify the present proposals. It is true that those who get into power for the first time often imagine that they must begin their reforming work at once, and that the situation cannot brook a moment's delay. Everyone will not, however, necessarily sympathise with such impatience, and some may even welcome circumstances which necessitate their going more slowly. As regards the fear that in some places examinations will have to be postponed unless the election of the present Syndicates is validated, even that need not frighten us much, as examinations have been postponed in the past on account of plague and other difficulties, and there is no great harm if they have to be postponed for a time

in any place this year. The Hon'ble Member has further told us that after all the defects that have been discovered in the notifications are of a purely technical character. Now I cannot subscribe to this view of the matter at all. Take, for instance, the formation of the Faculties. If this function had been left to the Senates as required by the law—if it had not been illegally usurped by the Chancellors—we should have had the Faculties formed in accordance with some clear and intelligible principle as in old times. But in what the Chancellors have done there is no such clear principle recognisable. Thus, in Bombay, a man like Mr. Justice Chandavarkar, than whom there are few more cultured Fellows—European or Indian—in the Bombay Senate, has been excluded from the Arts Faculty which after all is the most important Faculty, and relegated to the Faculty of Law, which is made to include every Fellow who has taken the L.L.B. degree. So it is not only a mere setting right of technical defects that is involved in this Bill. My Lord, there is another most important question that must be brought to the notice of this Council. I am not sure that I quite followed the Hon'ble Member in what he said about the effect of this Bill on the Syndicates which have been elected under the illegal notifications. I understood him to say, and I speak subject to correction, that the elections would stand. If this be so, I can only protest against what is proposed as a great wrong, at least so far as the Bombay University is concerned, for there the opinion of eminent Counsel had been obtained, which declared that the notification was clearly illegal and *ultra vires*. This opinion had been forwarded to the University authorities before the elections were held, and the only request that was made was that the elections should be postponed till the Chancellor had re-considered the whole question in the light of that opinion. An opportunity was thus given to the party that is anxious to introduce the new order of things to set matters right by cancelling the notification and issuing another in its place. Instead of that, they preferred to hold the elections in accordance with the notification, and now it is proposed to condone the illegality committed with open eyes by means of fresh legislation!

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My Lord, the unfairness of this arrangement becomes all the more obvious when it is remembered that those who saw the illegality of the notification did not take part in the election beyond entering their protest. They did not allow themselves to be nominated as candidates : neither did they exercise their undoubted right to vote because of the illegal character of the whole proceeding. On the other hand, those who chose to act on the notification acted as though they were determined to carry out their object, whatever the obstacles in their way. Thus a motion for adjournment, which the Vice-Chancellor, who presided over the Arts meeting, allowed to be put to the meeting one day, was under exactly similar circumstances ruled out of order the next day at the Law meeting by the Judicial Member of the Executive Government, whose interest in University matters was suddenly aroused, and who attended to take the chair—which otherwise would have been occupied by the senior Fellow present, Sir Pherozechah Mehta.

And it is now proposed to support by fresh legislation the illegalities committed in this high-handed manner by those who chose to ignore the warning and opinion of eminent Counsel, and it is proposed to punish those who protested against the illegalities and refrained from being a party to them. I think it is absolutely unjustifiable thus to disfranchise a large number of Fellows and accept the elections made by a handful of men in each group as made by the Faculties, and once more I protest emphatically against the contemplated wrong.

My Lord, these are some of the observations which suggest themselves to me on this occasion. I have been under some disadvantage in having had to speak on the spur of the moment, and I can only trust I have made no mistake in my statement of facts, nor employed stronger language than the exigencies of the situation demanded.

*[At a meeting of the Imperial Legislative Council held on Friday the 10th February 1905, His Excellency Lord Curzon presiding, the Hon'ble Mr. Richards moved that the Bill to validate action taken under the Indian Universities*



*Act, 1904, be taken into consideration. The Hon'ble Mr. Gokhale moved that for the words "the Bill to validate action taken under the Indian Universities Act, 1904, be taken into consideration," in the foregoing motion, the word, "the consideration of the Bill to validate action taken under the Indian Universities Act, 1904, be postponed sine die" be substituted. He said :—]*

My Lord, last Friday, when I troubled the Council with a few observations on the Bill now before us, I ventured to suggest that the introduction of this measure and the Hon'ble Member's speech in support of it amounted to a practical admission that the notifications issued by the several Chancellors were illegal and *ultra vires*. The Hon'ble Member, however, took exception to my remark, and that makes it necessary that the Council should consider briefly the circumstances connected with these notifications and the position now created by them. For this purpose I would invite the attention of the Council to what has taken place at Calcutta and Bombay, and I take these two Universities, partly because it has been easier for me to obtain precise information in regard to them than in regard to the others during the short time at my disposal, but mainly because the circumstances of the Calcutta University are, or ought to be, within the personal knowledge of several Members of this Council, and at Bombay matters have culminated in a suit being instituted in the High Court. My Lord, I have no wish to-day to stir up the ashes of the controversy that raged round the Universities Bill last year though one may say in passing that some of the fears then expressed by the opponents of the measure about the probable exclusion of independent Indians from the administration of the Universities have already being more or less realized. What, for instance, can be more lamentable than that, on the present Syndicate of the Calcutta University, four Faculties out of five should be without a single Indian representative, and that in Bombay, a man like Sir Pheroza Shah Mehta, once a Dean in Arts, who, in point of attainments and of zealous devotion to the best interests of the country towers head and shoulders above many of those who have of late been posing as authorities

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on high education in this land, should be excluded from the Faculty of Arts! However, I know that any further complaint in this Council about the policy of last year's Bill is like ploughing the sands of the sea-shore, and I have no wish to engage in an enterprise at once so fruitless and so unnecessary. My Lord, I must ask the Council to glance for a while at what may be called the scheme of last year's Act in regard to the constitution of the first Senates and of Provisional Syndicates. That scheme, I contend, is both clear and adequate, and if only ordinary care had been taken to adhere to it, the present difficulties would not have arisen. The scheme is set forth in the several clauses of section 12. First of all, there was to be the election of ten Fellows by Graduates or by old elected Fellows or by both. Then there was to be the appointment of not more than eighty Fellows by the Chancellor. And then there was to be the election or rather co-optation of ten more Fellows by the elected Fellows and Government nominees acting together. This co-optation was to complete the Senate and then the Chancellor was to notify that the Body Corporate of the University had been formed, appending to the notification a list of the new Senate. As soon as this declaration was made, the old Senate and the old Syndicate were to cease to exist, and the new Senate, *i.e.*, the Body Corporate, was to elect a Provisional Syndicate, in such manner as the Chancellor might direct, the old bye-laws and regulations of the University, continuing in force till new ones were framed, except in so far as they were expressly or by implication superseded or modified. Now two things here are absolutely clear—first, that the election of the Provincial Syndicate is to be by the Senate, *i.e.*, the Body Corporate, and, secondly, whatever discretion might be conferred on the Chancellor by the words 'in such manner as the Chancellor may direct,' that discretion is limited, first, by the express terms of the Act and, secondly, by such old regulations and bye-laws as have not been superseded or modified. The Hon'ble Member said last Friday that, unless a very wide meaning was assigned to the words 'in such manner as the Chancellor may direct,' there would be a difficulty about fixing the number of the Syndicate. I am surprised

at the Hon'ble Member's argument, for he forgets that the old regulations prescribe the number, and the Act being silent in the matter, that number must stand. On the other hand, the regulations prescribe election by Faculties, but the Act expressly provides for election by the Senate; therefore the election by Faculties must go. I therefore contend that the scheme of the Act for the constitution of the first Senate and of the Provisional Syndicate is a clear and complete scheme, and the responsibility for the present muddle rests not on those who framed the Act but on those who did not take sufficient care to understand its provisions and exceeded their powers in taking action under it. Indeed, my Lord, I wonder what Sir Thomas Raleigh in his retirement will think of these proceedings in Council and of the justification urged for them, for to my mind they are little less than a reflection on the patient industry and care with which he elaborated the provisions of the Universities Bill; and I think it will strike him as an irony of fate that, while these proceedings should be initiated by those who were among the most enthusiastic supporters of this Bill, it should have been reserved for an uncompromising opponent of the measure to protest against the charge of unsatisfactory work which they involve against him!

My Lord, I have so far briefly sketched what may be called the scheme of the Act. Let us now see how they have followed this scheme in practice at Bombay and Calcutta. In Bombay the election of ten Fellows by Graduates and by old elected Fellows took place all right. The appointment of eighty Government nominees followed in proper form. Finally, these ninety proceeded to co-opt the remaining ten, sitting and voting together as required by the Act. The Bombay Senate was thus regularly constituted and no one has taken any exception to its constitution. Then came the Chancellor's notification about the election of a Provisional Syndicate, in which he arbitrarily divided the Fellows into groups, which he had no power to do, and directed the several groups to meet and vote separately and on separate days, which also he

had no power to do. And when the illegal character of the notification was brought to his notice and opinions of eminent lawyers in support of this view were forwarded to him, the University authorities persisted in acting on the notification, with the result that the aggrieved party had to move the High Court for redress! In Calcutta the catalogue of illegalities was even longer. Here the election of ten Fellows by Graduates and by old elected Fellows took place alright and the Chancellor's nominations were also in regular form. From this point, however, commenced a regular series of irregularities. The ten Fellows to be co-opted were not co-opted by the elected and nominated Fellows sitting and voting together, as required by the Act. The constitution of the Calcutta Senate itself was thus defective. Then the Chancellor divided the Senate into Faculties for the purpose of electing the Syndicate, which he had no power to do. The old regulations which are still in force recognize only four Faculties, but the Chancellor constituted five Faculties on his own responsibility, which was irregular. Under the old regulations every Fellow, *ex-officio* or ordinary, must belong to at least one Faculty; but the Chancellor did not assign the *ex-officio* Fellows to any Faculty, which was irregular. Finally, the Provincial Syndicate was elected by the Faculties, instead of by the Senate, as expressly required by the Act, and this was irregular. And now after all these irregularities have been committed, the Government of India come to the Legislature with a proposal to validate all that has been done! In doing so they ignore the fact that they are interfering with a pending suit, destroying the protection of High Courts which the public prizes above everything else, lowering the dignity of the Legislature, and creating throughout the country a most deplorable impression about the practical irresponsibility of the Executive Government. And yet, when it is said that the action of the Government is a practical admission that the notifications were illegal, the Hon'ble Member thinks it necessary to protest against the inference! My Lord, I think the matter is pretty clear. In any case, the view that the notifications are illegal and *ultra vires* is supported by three distinguished members of the Bombay

Bar—two of them being European Barristers, who have taken no part in recent educational controversies and who occupy the foremost position in their profession at Bombay. Can the Hon'ble Member quote on the other side any authority of equal eminence, of anything like equal eminence, of any eminence at all? Is he prepared to pledge his own reputation as a lawyer to the view that the notifications are legal? And if he is not, I submit that my inference is a fair inference, and I think I am entitled to draw it. The Hon'ble Member complained last time that I had no alternative course to suggest. This was surely a most extraordinary complaint to make, for in the very next sentence he proceeded to show how my suggestion, namely, that the faulty notifications should be withdrawn and others in accordance with law substituted in their place, would involve waste of time and work and prove harmful to the interests of the Universities. My Lord, I really think that it is the duty of the Government, not less than that of private individuals, to face whatever inconvenience has to be faced in obeying the law. And the only proper and dignified course for the Government was to have waited till the Bombay High Court had pronounced its judgment, and, if that decision had been adverse to the Government, to have withdrawn the notifications held to be illegal and to have substituted others in their place framed in accordance with the law, a validating Bill being at the same time introduced to legalize the work done during the interval by the defectively constituted bodies. If, on the other hand, the Court had decided in favour of the Government, nothing further need have been done in the matter unless the decision had been reversed by a higher authority. The Hon'ble Member drew last time a dismal picture of the results, which would produce a state of uncertainty. That picture, however, need not frighten anybody—at any rate, no one who is acquainted with the inner working of an Indian University. It would not have taken so very long after all to set matters right, and in the interval, the Vice-Chancellor and the Registrar could have carried on the ordinary executive business of the University. And whatever temporary inconvenience

had resulted should have been borne as inevitable. Instead of this the Government have chosen to adopt a course which is hardly respectful to His Majesty's Judges—intervening by means of legislation in favour of one party to a pending suit—which lowers the dignity of the Legislature, and which proclaims that the executive authority in this country is practically above law. I decline to be a party to such a course, and I therefore beg to move the amendment which stands in my name.

*[At the same meeting, when the Bill to validate action taken under the Indian Universities Act was being considered, the Hon'ble Mr. Gokhale moved that after clause 1 of the Bill the following clause be added, clauses 2 and 3 being re-numbered 3 and 4, respectively, namely:—"2. Nothing in this Act shall apply to the University of Bombay." He said:—]*

My Lord, I have already twice referred to what has taken place at Bombay, but in asking that the Bombay University be excluded from the operation of this Bill, I must recapitulate once more the facts on which I base my motion, and I hope the Council will bear with me while I do so. The most important difference between Bombay and elsewhere has been this—that while in other places the illegality of the notifications was not discovered before the elections and no formal protests were in consequence made at the time, in Bombay even this plea of acquiescence on the part of members of the Senate is not available to Government. Of course such acquiescence or the absence of it does not affect the legal position, but it is a moral consideration of very real importance. In Bombay, the illegal character of the notification was perceived as soon as it was issued. The members who perceived it thereupon took legal opinion. They first consulted Mr. Inverarity and the Hon'ble Mr. Setalwad, who both condemned the notification in unequivocal and emphatic terms as illegal. Then they consulted Mr. Lowndes, who was equally emphatic in his condemnation. All three Counsels thought that the illegality was so patent that it had only to be brought to the notice of the Chancellor, and they felt confident that he would see the necessity of withdrawing

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the notification. Armed with these opinions, Sir Pherozeshah Mehta, himself a lawyer occupying a commanding position at the Bar, and several other Fellows approached the Chancellor and asked for a reconsideration of the question before it was too late. All this was done before the date of the first election. The University authorities, however, took it upon themselves to ignore the whole thing and proceeded to hold the elections as directed in the notification. At the meeting of the Arts group the Vice-Chancellor presided, and he allowed a motion to adjourn so as to give time to the Chancellor to reconsider the matter to be put to the meeting. The next day, the Law group met, the Judicial Member of the Bombay Government, whose interest in University matters has hitherto been by no means conspicuous, attended and took the chair, which otherwise would have been taken by the Senior Fellow present—Sir Pherozeshah Mehta—and flouting the ruling of the Vice-Chancellor of the previous day, ruled a motion for adjournment out of order, and after a majority of the members present had left the meeting under protest, got the remaining five, including himself, to elect the two representatives for law. These high-handed proceedings left no option to those who saw the illegality and declined to be a party to it but to go to the High Court. And, on this being done, the University authorities have come to the Supreme Government with an appeal to shield them and save their prestige by means of a validating measure. My Lord, to use the powers of the Legislature for validating what has taken place in Bombay is to abuse those powers. For it means validating illegalities committed in the light of day and in spite of warnings and protests. It means validating high-handedness. It means interfering with a pending suit, which on the part of private individuals is regarded as contempt of Court. It means coming between the aggrieved party and the protection which it has a right to look for at the hands of the High Court. It means securing for the wrong-doer the fruits of his wrong-doing. Finally, it means penalizing those who have declined to be a party to an illegal proceeding and have done their best to have it set right; for, as I pointed

out last time, these men did not take any part in the elections—they did not allow themselves to be nominated as candidates, and they did not vote, fully believing that the illegal elections could not be upheld and would have to be set aside; and to uphold the elections now by means of legislation is to disfranchise them. Then, my Lord, there is the question of costs. These men have had to spend money in taking the course they were compelled to take. Counsel do not give their opinion for nothing, neither do they appear to argue a case for nothing and if the matter had been left to be decided by the High Court, their costs would probably have been awarded to them, if the decision had been in their favour. My Lord, does the Legislature exist for the preparation of what may be called Legislative injustice? Was no other course open to the Government? In Bombay, at any rate, there is no question of the Senate having to be reconstituted. The only thing needed is to withdraw the notification about the election of the Syndicate and substitute another in its place in accordance with law. This could be done at once and the new election might take place in a week's time after that. Surely the University of Bombay can exist for a week without a Syndicate, and even the Hon'ble Member in charge of the Bill will have to admit it when it is remembered that from 8th December, when the notification about the new Senate appeared, to 17th January, when the Provisional Syndicate was formed—*i.e.*, for more than five weeks—there was no Syndicate in Bombay, and the Vice-Chancellor and the Registrar carried on the executive business of the University without any hitch. There is thus no reasonable ground for undertaking the present legislation for Bombay, while there are several most important considerations against the course adopted by the Government. I, therefore, beg to move that the Bombay University be excluded from the scope of the Bill.

*[At the same meeting, replying to criticisms on his amendment, the Hon. Mr. Gokhale made the following speech:—]*

My Lord, I desire to offer a few observations by way of reply to what has fallen from the Hon'ble Mr. Richards



and the Hon'ble Sir Denzil Ibbetson. The Hon'ble Mr. Richards began by saying that the confusion that has been caused is admitted by everybody, but this Council is not the place where the legality or otherwise of the notifications issued by the Chancellors can be profitably discussed. I am inclined to agree with him, but he will not allow me to discuss it anywhere else. As a matter of fact, my friends have taken the matter to the High Court, which is surely a properly constituted body to discuss the legality or otherwise of what has been done. But the Hon'ble Member will intervene before the High Court has delivered its decision, and he will pass a law which will take the matter out of the jurisdiction of the High Court, so that, if I may say so, the responsibility for the question being raised here is the Hon'ble Member's and not mine.

Then, My Lord, the Hon'ble Member said that the Provisional Syndicate is only a transitory body and therefore so much fuss need not be made over the manner in which it has been constituted. He said, after all, what will the Provisional Syndicate do? It will attend to the duty of conferring degrees and to a few small details of executive administration. He forgets, however, that the principal work of this Provisional Syndicate will be to draft the regulations which afterwards are to govern the conduct of the business of the University. In Bombay, no matter can be first brought before the Senate until it has been first considered by the Syndicate, and therefore the whole future administration of the University really depends in a measure upon the Provisional Syndicate, and one can easily see how important it is to have it properly constituted.

The Hon'ble Sir Denzil Ibbetson has referred to what was in the mind of the Select Committee when these transitory provisions were framed. I, too, was a member of the Select Committee, but I did not refer before this to what took place in the Select Committee, because I understood that a reference to the proceedings of the Select Committee was not allowed, as they are confidential. However, I may very well follow the example of the Hon'ble Member, and I may say this; if my recollection is right,

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the Select Committee did not intend that the Provisional Syndicate should be constituted as it has been in so many places. As a matter of fact, I remember it being said that the principal work of the Provisional Syndicate would be the drafting of rules and regulations, and for that it would be necessary to have a body of men who had the confidence of the whole Senate, and that was necessary to provide.

The Hon'ble Member proceeded to say that, unless the Chancellor had given certain specific directions, there would have been confusion, as there was conflict between the Act and the old regulations.

I think, however, that this fear was groundless. The Act of last year contemplates three authorities being put together before any action is taken. There is, first of all, the Act, which is of course above everything else. After the Act come the regulations, which have not been expressly or impliedly superseded. If there is any conflict between the two, the Act prevails and the regulations go. If there is nothing to bring about a conflict between the two, the regulations supplement the Act. It is only after the Act and after the regulations that the discretion of the Chancellor comes in. The discretion of the Chancellor is to support the regulations and the Act, and not to twist the express language of the Act or of the regulations that are already in force so as to suit his own view of things. If you take these three things together, what do you see? You first of all see that the Act requires that the election shall be by the Senate. Therefore, if the old regulations say that the election should be by Faculties, those regulations are to that extent inoperative. Again, if the old regulations say that the number shall be so and so, the number is not left to the Chancellor. However, I do not wish to elaborate this point any further. The Hon'ble Member said that the Chancellor of Bombay had scrupulously followed the old regulations in the grouping of the members of the Senate. The Hon'ble Member is entirely mistaken. In old times, where a man held a degree in more Faculties than one, he was appointed a Fellow in all those Faculties. The Chancellor, however,

has arbitrarily restricted the members to certain Faculties. For instance, Sir Pheroza Shah Mehta holds only an Arts degree, so far as the Bombay University is concerned. He has, however, been relegated to the Law Faculty and removed from the Faculty of Arts. Under the old regulations, this would not have been possible.

I do not think that I need detain the Council further. The defects that you are going to validate are not merely technical, and there is an important principle involved, and I therefore submit that the Bill should not be proceeded with.

*[At the same meeting on the motion of the Hon. Mr. Eyle Richards that the Bill, as amended, be passed, the Hon. Mr. Gokhale spoke as follows:—]*

My Lord, I have already spoken thrice on this Bill, but I cannot let it pass without a final word of protest. My Lord, British rule in this country has hitherto been described—and on the whole, with good reason—as the reign of law. A few more measures, however, like the present, and that description will have to be abandoned and another substituted for it, namely, reign of Executive irresponsibility and validating legislation. My Lord, the Government are paying too great a price for what is undoubtedly an attempt to save the prestige of its officers. But is prestige ever so saved? On the other hand, an occasional admission of fallibility is not bad—especially for a strong Government like the British Government. It introduces a touch of the human into what ordinarily moves with machine-like rigidity. It enhances the respect of the people for law, because they are enabled to realize that even the Government respects it. And it strengthens the hold of the Government on the people, because they see that, in spite of its strength, it has a tender and scrupulous regard for the limitations imposed by the Legislature upon it. My Lord, may I, in this connection, without impertinence say one word about Your Lordship personally? Whatever differences of opinion there may be in the country about some of the measures of Your Lordship's administration, the impression hitherto has been

general that during your time the Local Governments and Administrations have had to realize more fully than before that there is a controlling and vigilant authority over them at the head, and that this authority will tolerate no irregularities on their part. It is a matter of disappointment that this impression should not have been justified in the present instance. My Lord, public opinion in this country being as feeble as it is, the only two bodies that control the exercise of absolute power by the Executive are the Legislature which lays down the law, and the High Courts which see that the law is obeyed. If now the Government is to destroy the protection which the High Courts afford by means of validating legislation, and if the Legislature is to be reduced to the position of a mere handmaid of the Executive to be utilized for passing such legislation, what is there left to stand between the people and the irresponsible will of the Executive? My Lord, I feel keenly this humiliation of my country's Legislature; for though we, Indian Members, have at present a very minor and almost insignificant part in its deliberations, it is after all our country's Legislature. Moreover, I have a faith that in the fulness of time our position in it will be much more satisfactory than at present, and anything that lowers it in the eyes of my countrymen cannot but be regarded with profound regret. My Lord, I will vote against the passing of this Bill.

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## CO-OPERATIVE CREDIT SOCIETIES.

*[At a meeting of the Imperial Legislative Council, held on Wednesday the 23rd March 1904, His Excellency Lord Curzon presiding, the Hon. Mr. Sir Denzil Ibbelton moved that the Bill to provide for the constitution and control of Co-operative Credit Societies, as amended, be passed. The Hon. Mr. G. K. Gokhale supported the motion in the following speech :—]*

My Lord, after the continuous opposition which it has fallen to my lot to offer to two important measures of Government during this session, it is both a pleasure and a relief to me to find myself in a position to give my cordial and unequivocal support to the present Bill. The proposed legislation is no doubt only a modest measure, so far as its provisions go. But it authorizes a cautious and interesting experiment, which, if it attains any degree of success, cannot fail to exercise a wide and far-reaching influence, especially on the condition of the agricultural classes in India. My Lord, in the growing indebtedness of the Indian agriculturist and the steady deterioration of his general position, the Government of India is called upon to face one of the grave problems that can confront a civilized administration. The difficulties of the situation are enormous and they can be overcome, if they are overcome at all, only by a long course of remedial action, wisely determined, sympathetically undertaken and steadily and patiently adhered to in spite of discouragement and even temporary failure. Such action must include a series of cautious measures, intended both to bring him help and relief from outside, and to evoke or strengthen in him those qualities of prudence, thrift, self-reliance and resourcefulness, without which outside help can do him no great or permanent good. The present Bill is a measure of the latter kind, and though no one can say how far it will prove successful, its operation will be watched by

every one interested in the future of the country with deep interest and in a spirit of hope.

My Lord, in a matter of this kind the function of the Legislature must be confined only to the removal of any special obstacles that may stand in the way. When that is done, the success of the experiment must depend almost entirely upon executive action and the spirit in which and the extent to which the classes concerned and those who are interested in their welfare come forward to co-operate with the Government. For this reason the present Bill cannot be considered apart from the line of practical action which it is proposed to take when the Bill becomes law. This line has been indicated with sufficient fulness in the two luminous speeches made by the Hon'ble Member in charge of the Bill since the introduction of this measure. And the few remarks which I propose now to offer have reference both to the provisions of the Bill, and to the executive measures outlined by the Hon'ble Member to give effect to those provisions.

My Lord, the measure as amended in Select Committee is a considerable improvement on the original Bill, and will no doubt work better in practice. However, the general scheme formulated appears to me to be incomplete in important particulars. To these I beg leave to draw the attention of the Government in the hope that the bounds of executive action will be so enlarged as to place the success of the proposed measure beyond reasonable doubt.

My Lord, the first thing that strikes me on a consideration of the whole question is that there is no provision in the proposed scheme for a preliminary liquidation of the existing debts of those who wish to avail themselves of the opportunity now offered, to improve their position. In making this observation and those which follow, I have in view the condition of the agricultural population only, and I look upon the Bill, though its provisions may be availed of by non-agriculturists, as one intended specially for the benefit of the agricultural community. It is true that the Bill aims merely at organizing on a co-operative basis the

credit of these classes, but such organization, if it is to benefit any considerable proportion of the agriculturists, must be preceded by a liquidation of existing usurious debts. Speaking with special reference to the Bombay Presidency, I may say that our agriculturists may be roughly divided into three classes :—(1) Those who are yet free from debt. These, I believe, form a small proportion of the total number. (2) Those who have already got into debt, but not to such an extent as to be hopelessly involved and who are making honest efforts to keep their heads above water. These, I believe, constitute a considerable proportion of the agricultural population. And (3) those who are so heavily indebted as to be hopelessly involved. These, I fear, are a very large class. Of these three classes, I don't expect that many members of the first class will for the present, at any rate, care to join the proposed societies as the principle of unlimited liability is sure to frighten them ; while the third and last class is beyond the reach of such remedial action as this Bill contemplates. The men, therefore, who will principally form these societies, if the proposed measure attains any degree of success, are those that belong to the second class, namely, those who have already got into debt but whose position has not yet become hopeless and who are, moreover, making honest attempts to save themselves from prospective ruin. These men, however, have not much credit left free to be brought into the co-operative organization and, unless they are helped to effect a clearance of existing liabilities on reasonable terms, no new banking organisation created for their benefit, whether it takes the form of Agricultural Banks or of Co-operative Credit Societies, can prove of much help to them. The need for such preliminary liquidation was recognized by the Government of India in 1884 in the following terms :—“Improvidence of cultivators and uncertainty of seasons are elements which are liable to interfere with a bank's success, and these difficulties might be met by prudent management ; yet the bank could not hope to succeed unless it could start in a field where the agricultural classes were unencumbered with debt or were enabled to liquidate their existing debts on reasonable terms.” Such a liquidation was carried out in

Germany and elsewhere through the agency of special banks and the ground was cleared for the operation of the new banking organizations. The resources of the proposed societies will be extremely limited, and it is out of the question that they can by themselves find the funds necessary for such liquidation. The Government must come to their help in this matter and, if such help is not offered, the proposed experiment will have but small chance of proving successful.

Section 7 lays down for rural societies the principle of unlimited liability except in special cases. Responsibility for *pro rata* contributions to the repayment of a society's debts would be a desirable limitation on the liability of members, as is allowed in the German Law of 1889. Unlimited liability no doubt strengthens the position of the societies greatly in the money-market; but it is a principle which our raiyats in many parts of rural India can scarcely be made to understand. Each member to be liable in all his property for his society's debts—this is to them an entirely foreign idea, and in most parts, it is to be feared, would deter people from joining such associations. Responsibility in equal shares on the common partnership principle may be better appreciated and would be enough for a start. In Germany, the principle of unlimited liability is an old time-honoured economic tradition, and works admirably. It is the keystone of Schulze and Raiffeisen societies. Elsewhere, in Italy and other countries, it has had to be acclimatized with immense toil. In India, where every such thing is new, I fear it will be a mistake to aim at too much at the start. Insistence on such a principle would keep away from the new societies those very classes whose help and co-operation would be indispensable.

As regards funds, the societies are allowed to receive deposits from their members, and borrow from outsiders. No other financial resource is provided for. This to my mind is the weakest part of the scheme. Even in European countries, such popular banks (*e.g.*, the Schulze-Raiffeisen and Luzzatti-Wollemborg Societies) do not depend exclusively on deposits and loans. In India, as regards



deposits, looking to the condition of economic exhaustion and material resourcelessness which at present prevails in the rural parts, such deposits from those who might join these societies cannot be expected to flow in either fast or in any large volume. The associations would be mainly and for years more or less borrowing associations. As to loans it is somewhat surprising to find that the Bill allows the credit societies to borrow from 'persons who are not members' though, of course, under restrictions. The money-lender thus comes in and there is no guarantee that he will not exact usurious interest. Besides, where protracted periods of misfortune intervene, like the past decade in the Dekkhan, there is present the risk of these societies getting into the clutches of the money-lender just as individual raiyats now do. The risk may be obviated and the financial position of the new societies improved in two distinct ways, as is done in European countries. First, these rural societies should not be left to shift for themselves as best they could, as isolated units, but might be allowed to be federated into unions for mutual support and help, and these unions linked to a Central Bank, which might serve as an intermediary between them and the money-market and also help to equalize funds by lending the surplus of some to meet the needs of others. Each District might have a Central Bank of this nature to which the rural unions would be affiliated on a joint stock basis and to serve as a focus of business. Further, these District Central Banks might be linked on to the Presidency Banks, one for each Presidency or Province. Some such scheme of filiation might materially help these societies and to a large extent remove the difficulty of financing them. However, I fear the realization of such a scheme must be the work of time and must be preceded by the proposed societies attaining in their own places a certain measure of success, however limited it may be. But there is another resource, which might be made available to these societies without any difficulty, and it is that these societies might be allowed to have each a savings bank attached to it, as is done in Germany and Italy. They would thereby be able to draw together small savings within their territorial limits and utilize them for productive

use. At present no facilities practically exist in our villages for the deposit of savings. The total number of villages in British territory in India is over 5½ lakhs, while the savings banks (head and sub-banks) number only 7,075; and the total number of depositors is nearly a million, of whom only about fifteen thousand are agriculturists—not even 2 per cent. So it would be a great help to the rural classes and meet a *felt* want if these societies were allowed under the new scheme to have each a savings bank of its own—operating, of course, within its own territorial limits. These savings banks would thus serve a double purpose. (1) The rural classes will have facilities for the deposit of their little savings, where practically none exist at present. This would encourage thrift. (2) The credit societies will have a new source of financial aid placed within their reach on a commercial and safe basis. Indirectly, too, the better-to-do classes, who might not join the new associations, would, if they were to deposit their savings with these societies, help them most materially.

The absence of some summary procedure to recover the debts due to the societies is also likely to interfere with the success of these societies. I admit the full force of the observations made by the Hon'ble Sir Denzil Ibbetson on this point. It seems to me, however, that on the whole the balance of considerations lies on the side of providing some such procedure, or at any rate some special machinery of arbitration. Section 26 provides for a summary recovery of debts due to Government. But the societies must go to the Courts and bear the expense and delays of such procedure. I think some summary procedure is necessary, and special Courts might be organized for the adjudication of such claims.

In conclusion, I entirely approve the idea of trying the proposed experiment first in a very few selected localities only. So much depends upon the success of this experiment that every care must be taken to try it in the most favourable circumstances. The sympathy of local officers will of course be available to the full, but the Government will further have to offer very liberal financial

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assistance, at any rate, in the earlier years of the experiment. Public confidence in the success or practicability of a new organization is unfortunately slow to grow in a country where the people have for long centuries been accustomed to look for everything to Government and private initiative seems to be almost paralysed. But when once such confidence springs up, it is not likely shaken. Very great responsibility, therefore, will rest on those who are entrusted with the task of supervising the first experiment, and I earnestly trust, my Lord, that no possible effort will be spared to make that experiment as complete a success as is, in existing circumstances, possible.

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## THE SINDH ENCUMBERED ESTATES ACT.

*[At a meeting of the Imperial Legislative Council, held on Saturday the 17th February 1906, His Excellency Lord Minto presiding, the Report of the Select Committee on the Bill to amend the Sindh Encumbered Estates Act, 1896, was taken into consideration. The Hon'ble Mr. Gokhale moved that in sub-section (2) proposed to be added to section 22 of the Sindh Encumbered Estates Act, 1896, by clause 6, sub-clause (c), of the Bill, as amended by the Select Committee, for the words "as may appear to the manager to be" the words "as may be" be substituted, and that all the words after the word "circumstances" be omitted. He spoke as follows :—]*

My Lord, as I have stated in my minute of dissent, I am in sympathy with the general principles of the Bill, and I should have been glad to give a silent vote in support of the measure, but for the fact that one or two of the provisions of the Bill are open to serious objection and will in my opinion be productive of injustice in practical operation. The Council must have seen by this time that one important change that the Bill proposes to make is where it empowers the manager to disturb even old leases either by revision or cancellation. I say nothing about the policy of re-opening these leases. If it is necessary, in order to secure effectively the objects of the old Act, to disturb these leases, by all means let the manager have that power. But the Legislature should see that in giving this power it does not empower the manager to inflict injustice on an innocent party. It is admitted by the Hon'ble Member in charge of the Bill that some of the lessees who might be dealt with under this provision are likely to be agriculturists. And I would submit to the Council that where a lease has been obtained *bona fide* or where it has been obtained by a man who is not a money-lender, then no case whatsoever has been made out for closing to him the Civil Courts in regard to the compensation to which he may be justly entitled. The Hindu Sabha has given

instances where the manager set aside two leases—one obtained for Rs. 21,000 and the other for something like Rs. 60,000. In each case the manager declined to pay compensation for cancelling the lease, but in each case resort to the Civil Courts resulted in compensation being awarded. This shows the danger of making the manager the sole master of the situation which it is now proposed to do, as the Bill leaves the question of compensation practically entirely to the manager. The object of my amendment is twofold. First, to secure that where an old lease has been set aside by the manager, compensation which is not merely equitable in his opinion, but which is reasonable in the circumstances, shall be paid to the lessee. Secondly, if there is a dispute as to whether reasonable compensation has been offered or not, the Civil Courts shall not be closed to the aggrieved party. My Lord, I submit that this proposal to leave everything to the Manager is not justified. It is true that the manager is an officer of Government. All the same he is in the position of an interested party. He is expected to free these estates from incumbrances and naturally his bias must be against the money-lenders or others who may have claims on the property. I do not say that he would be consciously unfair; but his bias may lead him to take a view of the situation involving serious injustice to a lessee. The only argument that I have heard in favour of the proposed provision is that the Civil Courts take a long time in settling disputes. It is said that, if the manager has to wait for their decision before taking effective steps to free an estate from incumbrances, then he would have to wait a very long time indeed. I think this objection will be met by what I have proposed in my two amendments. If it is provided that the manager should offer what he thinks fair compensation, leaving it to the other party, the lessee, to accept or refuse it, and to go to Court if he refused it—if this is done and then the power of eviction is vested in the manager after such compensation is offered, the manager would be able to take the estate into immediate possession and the question of compensation will have to be fought out in the Law Courts. One advantage of leaving the Courts open will

be to give a due sense of responsibility to the manager. If he knows that his action is liable to be challenged in a Court of Law, that in itself will make him hesitate before he offers compensation which is wholly inadequate. I really do not understand why the Government should show such a want of confidence in their own Civil Courts. It is a general feeling that there has been a tendency of late for the executive to encroach upon the province of the judiciary, and I regret that this provision to which I have taken exception is likely to emphasize this impression. The policy of Government in dealing with agricultural indebtedness by means of legislation is also already regarded with a certain amount of prejudice by the people, and this prejudice is likely to be still further aggravated by provisions such as this, which in practice will, without doubt, result in injustice and confiscation.

*[At the same meeting, the Hon'ble Mr. Gokhale moved that in sub-section (4) proposed to be added to section 22 of the Sindh Encumbered Estates Act, 1896, by clause 6, sub-clause (c), of the Bill, as amended by the Select Committee, between the word "cancelled" and the word "refuses" the words "and to whom any compensation awarded has been paid or offered" be inserted. He spoke as follows:—]*

The object of this amendment is this. The manager sets aside an old lease and he awards a certain compensation to the lessee. The compensation is not actually paid, but the manager merely enters the amount in the list which he keeps in his office; and on the mere strength of his having set down this amount against the money-lender or lessee, he proceeds to evict the lessee and take possession of the estate, which up to that time was in the possession of the lessee. Now this is very hard on the lessee. I recognize that the Select Committee have to a certain extent modified the provisions of the Bill as originally drafted, in this respect, and as far as it goes, the modification is an improvement. As the Bill was originally drafted, there was no provision as to when this compensation may be paid. The Select Committee have given this compensation precedence over all liabilities except the liabilities due to Government. To that extent I think the

Select Committee have improved the original Bill. But this does not go far enough. The Hindu Sabha has pointed out that there have been numerous cases where claims have been awarded, but not paid. The amount has been fixed, but though it is several years, it has not been paid and no interest is allowed. We are also told that the manager often finds it difficult to raise loans. I may point out that when the amount of compensation has been settled, it is to the advantage of the estate that the payment of this amount should be postponed as long as possible. If the manager had to pay interest, he would pay the amount as soon as possible, because otherwise interest charges would accrue. But since he is not bound to pay interest, it is to the advantage of the estate that the payment to be made should be postponed as far as possible. Now this is most unjust. A lessee may have invested his all in securing a lease. Such cases may be very few, but that does not affect my argument. He may have enjoyed the lease, or his children may have done so, for a number of years. Suddenly the manager comes in, sets aside the lease and puts down a certain sum in his list as due by way of compensation, and proceeds to evict. What are these people to do? On what are they to live since they have invested their all in securing the lease? Cases of this kind are likely to occur, and it does not seem to me to be right that the legislature should arm the manager with powers to inflict such injustice. My object, moreover, in moving this amendment is larger than this. I want to raise the question of the policy of Government in regard to this matter. The question of agricultural indebtedness has been hitherto sought to be dealt with by the Government by a mere turn of the legislative screw only. The Government in the past have carefully shrunk from accepting any money responsibility. I think this is not the proper way of proceeding to deal with the question. Local Governments have repeatedly urged upon the Government of India the necessity of their advancing money in order that liquidation schemes may be taken in hand and pushed on. If you leave managers to raise money in the open market for the purpose, then it is merely a choice of exchanging one set

of creditors for another set of creditors. I have looked up the proceedings of this Council when the Act of 1896 was passed and when the financial policy of the Government of India on this subject was enunciated by Sir James Westland. It must, however, be remembered that the finances of the Government were not in such a prosperous condition in those days, and therefore any enunciation of the policy of the Government made in those days need not hold good to-day. Sir James Westland remarked that it was quite true that the Government could borrow at  $3\frac{1}{2}$  per cent. and advance at 5 per cent. and this would be not only to the interest of the estate which could not borrow at 5 per cent. in the open market, but it would also be to the interest of the Government, because the Government would be making a profit. But he said that the Government would in that case be entering the money-market in competition with private money-lenders, and thereby inflicting unjustifiable injury on the latter. It would thus seem that a tender solicitude for the interests of the money-lender, who otherwise has always been treated as if he was beyond the pale of civilized society, is at the bottom of the policy of Government. But if the money-lender does not deserve sympathy, what does it matter to the Government whether he has a prosperous business in any particular locality or not? I do not see why his interests should stand in the way of a proposal which in every respect is admitted to be a beneficial one. It must be remembered that the Local Governments—notably the Government of Bombay—have always been in favour of the policy I am urging. If the Government revises its present policy and loans are raised by the Government specially for the purpose of freeing encumbered estates, then all these difficulties will disappear. A compensation that is thought fair may at once then be offered and paid to the lessee, and then there would be no grievance so far as his eviction was concerned.

I understand that the Finance Department has always strenuously resisted the adoption of such a policy and it may be urged by the Finance Minister that the borrowing powers of Government are limited, and whatever loans



can be raised are required for railways and other public works. Now, in the first place, there is nothing to prevent the Government of India from approaching the authorities in England for increased borrowing powers; and, secondly, the surpluses which the Government may have as in recent years might be ear-marked for the relief of agricultural indebtedness. During the last seven years the surpluses have amounted to over thirty millions, and these surpluses have been almost exclusively devoted to the extension of railways. If a considerable portion of this money had been set aside for the relief of agricultural indebtedness, a great deal of good work might have been done. However, there is no use in talking about the past, but there is nothing to prevent the Government in ear-marking such amounts in future. The Finance Department, it may be remarked, need not after all be the whole Government of India, and if the Government will adopt a liberal and courageous policy, the Finance Department will have to carry out that policy.

*[At the same meeting, replying to criticisms made on his amendment above, the Hon. Mr. Gokhale made the following speech :—]*

The Hon'ble Sir Denzil Ibbetson deprecates my reference to the financial policy of the Government on the score that this is not a discussion on the Budget. I should have thought that, considering how this same question was raised and discussed at some length—discussed by the members of the Government itself—in 1896, when the Act which we are now amending was last before the Council, this should have been about the last objection which anyone, especially a member of Government, should have raised to my remarks. However, as the Hon'ble Mr. Baker has made a statement on the subject, I will not say anything more about the Hon'ble Sir Denzil Ibbetson's objection. I will only content myself with the remark that, if Sir Denzil Ibbetson wishes me to postpone my remarks till the Budget is before us, I am quite prepared to do so, and I only hope he will then deal with the question fully. As regards what he has said about not paying the lessee at

once, the whole argument is, I fear, based on an assumption which is not justified. He used the word 'inequitable' over and over again. What right has he to assume that a lease that is set aside is necessarily inequitable? The power of the manager to set aside a lease is not confined to inequitable leases. I do not think any one is justified in assuming that because in the interests of an estate the manager thinks fit to set aside a lease, therefore the lease is bad and the lessee is not entitled to the protection of the Law Courts or whatever other protection he is at present able to seek.

As regards the financial policy of Government, the statement which the Hon'ble Mr. Baker has made is to a certain extent satisfactory, in that it shows that the door is not absolutely closed to the adoption of a policy such as I have suggested. In 1896, when Sir James Westland dealt with this question (I looked at the proceedings only this morning and so I speak with my memory refreshed), he dealt with it on the lines which I have indicated, and put it as a question of not entering into competition with the money-lenders and thereby injuring their legitimate business. He went so far as to say that even if a manager could raise loans in the market at a rate of 6, 7 or 8 per cent. interest from the money-lenders, that would be a much fairer course to pursue than that the Government should come in and advance money at 5 per cent. and thereby disturb the business of the money-lenders.

As regards the borrowing powers on the Government, I have always understood that there was a limit imposed upon the annual borrowing powers of the Government of India. I remember having read the report of a Parliamentary Committee appointed more than twenty years ago, of which, if I remember right, Lord George Hamilton was Chairman. That Committee made some recommendations, and the restrictions then imposed, I thought, held good to-day. If there is no limit, there need be no difficulty in borrowing more than the usual loan for public works, because the credit of the Government of India is as good as that of any Government in the world.

The question is this: Is the question of dealing with agricultural indebtedness as important as the necessity of extending railways or dealing with frontier difficulties, and similar questions? The Government freely borrows for these latter purposes. To my mind borrowing for the relief of agricultural indebtedness is a necessity as great as any of these. The whole policy of the Government in this matter has got to be revised and placed on a larger basis. I quite admit that it would not be possible to discuss such a policy in all its bearings when a small Bill like this dealing with a particular province is under discussion. I have only thrown out a suggestion, and notwithstanding the remarks of the Hon'ble Mr. Baker, I venture to hope that it will engage the attention of Government at an early date.

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## THE SEDITIOUS MEETINGS ACT.

*[At a meeting of the Supreme Legislative Council held in November 1907, the Hon'ble Sir Harvey Adamson moved that the Report of the Select Committee on the Bill to make better provision for the prevention of meetings, likely to promote sedition or to cause a disturbance of public tranquillity be taken into consideration. The Hon'ble Mr. Gokhale said:—]*

For many years now it has been a well established practice of this Council that no important legislation—especially of a controversial character—should be enacted at Simla, but it should be reserved for the session at Calcutta, where alone the assistance of all Additional Members is available. This practice has behind it the authority of a clear instruction from the Secretary of State. Thirty-two years ago, on the Government of Lord Northbrook passing an important measure at Simla, Lord Salisbury, then Secretary of State for India, deemed it necessary to address a remonstrance to the Governor-General in Council in the following words:—

In providing that laws for India should be passed at a Council consisting not only of the Ordinary Members of the Executive Government, but of Additional Members specially added for the purpose (of whom some have always been unofficial), it was the clear intention of Parliament that in the task of legislation the Government should, in addition to the sources of information usually open to it, be enlightened by the advice and knowledge of persons possessing other than official experience.

Of these you were unfortunately deprived in discussing the subject in respect to which the assistance of non-official Councillors is of special value. My Lord, it is a matter for deep regret that the Government of India should have thought it proper to depart from this wise and salutary practice in the present instance. But the absence of most Additional Members from to-day's meeting is not my only ground of complaint against the course adopted by Government. I think it is no exaggeration to say that

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this Bill has been received throughout the country with feelings of consternation and dismay, and yet it is being rushed through this Council in such hot haste, that practically no time has been allowed to the public to state its objections to the measure. The Hon'ble Sir Harvey Adamson, in introducing the Bill last Friday, observed :—

From the date of its publication in the Gazette to the date on which it will be finally considered, an interval of twenty days has been allowed. I am confident that the time is sufficient for a full consideration of the merits of the Bill.

I suppose the Hon'ble Member was indulging in a bit of cynical humour when he said this. Else, my Lord, it is not possible to understand his statement. I presume the object of publication is to give the public affected by the proposed legislation an opportunity to say what it thinks of the measure. This it can only do after it has had time to examine the provisions of the Bill, and such examination must, in fairness to Government, be made in the light of the reasons adduced by the Member in charge in introducing it. Now, my Lord, this Bill was published at Simla on 11th October, and its provisions, as telegraphed from here, appeared in the columns of the daily press of the country on the morning of the 12th. There are only seven or eight towns in the whole of India which have a daily press of their own. Of the others, the more important ones, which are served by these same dailies, have to wait for a day or two, and, in some cases, for even three or four or five days, before they get their daily budget of news. The smaller towns have, as a rule, to content themselves with weekly newspapers only. The Hon'ble Member must therefore allow at least a week's time for anything telegraphed from here to spread all over so vast a country as India. Then, my Lord, the Bill was introduced in this Council only on 18th October, and a telegraphic report of the Hon'ble Member's speech in introducing it appeared in the dailies only on the morning of the 19th. Allowing another week as the very least time required for the speech to penetrate into the interior of the country, it brings us down to 26th October as the earliest date by which the whole case of the Government may be assumed

to have been before the people. After this, some time would be required for deliberation, for the formulation of objections and for these objections to reach the Government; and even if a month had been allowed for this purpose, it would hardly have sufficed. Meanwhile, what happens here? The Select Committee, to whom the Bill was referred for consideration, meets on 22nd October, concludes its deliberations on 23rd, and makes its report on 24th! Now, every one knows that once the Select Committee has made its report, the door is closed on all further modifications, and therefore for any expression of public opinion to be of the slightest value in influencing the character or details of a Bill, it must reach the Government before the Select Committee finishes its labours. It is for this reason that the Rules of this Council lay down that ordinarily a Select Committee shall not make its report sooner than three months from the first publication of a Bill in the *Gazette of India*. In the present case the Select Committee had not the advantage of a single expression of public opinion to assist it; and even those few telegraphic protests, which had been received by the Government and of which some of us had received copies independently, were not laid before the Committee. My Lord, in the face of these facts, to speak of having allowed sufficient time to the public for a full consideration of the Bill is to mock public opinion. Better for that the Hon'ble Member had said: "The Legislature exists in India only to register the decrees of the Executive. The passage of a Bill through the Council is a mere formality, and on occasions like the present an inconvenient formality. We are facing the inconvenience in this case simply because we must face it. But the people may as well spare themselves the trouble of making any representations to us. For we have made up our mind and nothing they can possibly say will affect our determination to make this addition to the Statute-book. Moreover, it is not for them to reason why or to make reply. Their only business is to obey." That the Hon'ble Member is not wholly unconscious of the fact that he has given practically no time to the public for what he calls "a full consideration of the merits of the Bill" may be seen from his providing himself with a

second line of defence. He says that though the Bill has been before the public for a few days only the Ordinance which was promulgated in May last for the Provinces of East Bengal and the Punjab has been before the country for the last five months! He might as well have said that we had the History of Ireland before us all these years, or that we could not be altogether ignorant of what was taking place before our eyes in Russia!

My Lord, I can imagine circumstances of such extreme urgency and such extreme gravity as to necessitate the passing of a law of this kind and passing it even in the manner the Government have adopted. Had there been an active and widespread movement of resistance to authority afoot in the country, if breaches of public peace had been frequent, if incitements to violence had been the order of the day, I can understand the Executive wanting to arm themselves with these vast powers of coercion. But, my Lord, can any one truthfully say that such a state of things has arisen in the country? On the contrary, I assert, without fear of contradiction, that there is nothing in the circumstances of the land which constitutes even a distant approach to such a situation. It is true that there is widespread discontent throughout the country and very acute discontent in one or two Provinces, and to this discontent is now being added a fresh feeling of resentment—daily growing deeper and stronger—on account of the policy of repression on which the Government have embarked. But of active disaffection there is really very little anywhere, and whatever there is, is due to causes which lie almost on the surface, and should, therefore, be not difficult to understand. The Statement of Objects and Reasons, appended to the Bill, says:—

The occurrences of the last six months have convinced the Government of India that it is necessary, for the preservation of the public peace and for the protection of the law-abiding members of the community, to incorporate in the general law of an effective measure for the prevention of the seditious meetings and to take power to bring its provisions into operation in any part of India as occasion may require.

And the Hon'ble Member, in introducing the Bill, observed:—

We had hoped that the need for an enactment of this kind would cease before the Ordinance expired, but in this hope we have been disappointed. It has become painfully apparent that persistent attempts continue to be made to promote sedition and to cause such ill-feeling as is calculated to disturb the public tranquillity, and that these attempts are not confined to the two Provinces which came under the scope of the Ordinance.

My Lord, these are serious but vague statements, and I am astonished that the Hon'ble Member has not seen the necessity of supporting them by the testimony of facts. He mentions no cases, no statistics; one general assertion that persistent attempts continue to be made to promote sedition, and he thinks he has established the need for enacting drastic law of this kind for the whole country! With due deference, I submit this is not a fair proceeding, and the vast bulk of the people throughout India, who are perfectly law-abiding, have just cause to resent it. Let us examine the Hon'ble Member's contention a little closely. He says, first, that he had hoped that after the expiry of the Ordinance of May last, it would be unnecessary to renew its policy in the two Provinces in which it was in force, but that in this hope he has been disappointed; and, secondly, that unless that policy is extended to all the other Provinces of India, public tranquillity in those Provinces also would be in danger of being disturbed. Now, what are the facts? Let us take the Punjab first. In the whole of this Province there has been, as far as I am aware, only one public meeting since the promulgation of the Ordinance. It was held in Delhi, before Delhi was proclaimed; it was attended by both Hindus and Mahomedans, and its object was to express regret at Lala Lajpat Rai's deportation. There has been no disturbance of public tranquillity anywhere in the Province during the time. The Hon'ble Member will very probably say—"But this is all due to the Ordinance"! Assuming for a moment, for the sake of argument, that it is so, the fact remains that the Hon'ble Member has no reason to complain of any disappointment in the Punjab. Turning next to East Bengal, we find that there too, after the Hindu-Mahomedan disturbances, which led to the promulgation of the Ordinance, were over, there has been no public disturbance. There have also been no public meetings held in



defiance of the Ordinance, so far at least as the public is aware. A District Conference was proposed to be held at Faridpur with the District Magistrate's permission, but on his objecting to two of the resolutions on the Agenda paper—one about the deportation of Lala Lajpat Rai, and the other about the boycott of foreign goods—the organisers thought it best to abandon the Conference. There was great public indignation and disappointment in consequence, but there was no breach of the peace. It is possible that the Secret Police have been sending up to Government reports of meetings held surreptitiously in private houses in proclaimed areas in Eastern Bengal, and indeed the Hon'ble Member says as much in his speech of 18th October. But, in the first place, it is necessary to accept with great caution what the Secret Police say in their reports, as the trial at Rawalpindi and other recent events have shown. And, secondly, even assuming that such meetings have been held, there have been no breaches of the peace, and no serious harm seems to have been done; and I think in affairs of State, no less than in private life, it is often the part of wisdom to wink at things, which it is difficult to prevent and which do no serious harm to anybody. So much about the two Provinces in which the Ordinance has been in force since May last. Outside these Provinces, public disturbances have taken place only in two places in all India—one at Cocanada, in the Madras Presidency, some time ago, and the other at Calcutta more recently. The former had its origin in an assault made by a European officer on a student for shouting the words *Bande Mataram*. In the latter, the Police themselves are alleged to have been the aggressors. But whatever the origin of these two disturbances, and however much one may deplore them, they certainly do not furnish any justification for saddling the whole country with such a measure as the Council is asked to pass into law to-day. As regards public meetings in the different Provinces, with the exception of some held in Calcutta, I do not think that they have been of a character to attract special public attention. Strong things have no doubt been said at some of these against the Government and even wild things have probably been said at a few, but this

has been largely due to the measures of repression which the Government have thought fit to adopt since May last. My Lord, I do not think there is really anything in the situation of the country which may not be dealt with adequately by the ample powers which the Government already possess under the existing law, if those powers are exercised with tact, judgment and firmness. In any case there is nothing of such urgency and such gravity as to require an immediate resort to the dangerous provisions of this Bill and to justify its being rushed through this Council in this manner. The Hon'ble Member says that as the Ordinance of May last expires on 10th November, unless the Bill is passed before that date, there would be a *hiatus*. This applies only to Eastern Bengal and the Punjab, and of these, the Punjab has been so absolutely quiet that the Government of India may well give it a chance of being again under the ordinary law. And as regards East Bengal, if the situation showed signs of real anxiety, the Government could issue another Ordinance, or legislation might be undertaken in the Local Legislative Council. In such matters it seems to me far fairer that if there must be legislation, it should be undertaken by Provincial Governments in their own Councils. Such a course will ensure a proper discussion, with full knowledge on both sides, of all the special circumstances of a Province on which the Executive base their demand for extraordinary powers. It will also obviate the risk of enacting coercive legislation for those Provinces for which the ordinary law ought to suffice.

My Lord, the bulk of the educated classes in India feel, and feel keenly, that during the last six months, their aims and their activities have been most cruelly misrepresented before the British public, and that they have not had fair-play during the time. Exaggerated importance has been attached to the utterances of a few visionaries, and advantage has been taken of every accidental circumstance to represent an agitation for reform and for the removal of specific grievances as a moment of revolt. The malignant activity of certain unscrupulous Press correspondents has been largely responsible for achieving this

result, but unfortunately colour has been lent to their stories by the series of repressive measures which the Government themselves have adopted. The saddest part of the whole thing is that the Secretary of State for India has fallen a victim to these grievous misrepresentations. Possessing no personal knowledge of the people of this country, and overwhelmed with a sense of the vast responsibilities of his office, he has allowed his vision to be obscured and his sense of proportion to be warped. From time to time he has let fall ominous hints in the House of Commons, and more than once he has spoken as though some great trouble was brewing in India, and the country was on the eve of a dark disaster. My Lord, in these circumstances, the passing of a Bill like the present and in such hot haste, is bound to have the effect of confirming the false impression which has been already created in England, and this cannot fail to intensify and deepen still further the sense of injustice and injury and the silent resentment with which my countrymen have been watching the course of events during the last few months. I think the Government are repeating in this matter the great mistake they made when they partitioned Bengal. Whatever advantages as regards administrative efficiency may have been expected from that measure, it has cost the Government the good will of the vast majority of the people of that Province, and this is a loss which no amount of administrative efficiency can balance or compensate. Similarly, for one man whose wild talk the Government may be able to prevent by this Bill, nine hundred and ninety-nine will smart under a sense of injury that they have been placed under a law which they have not deserved and their minds will drift away silently and steadily from the Government, till at last their whole attitude towards the administration is changed.

My Lord, so much has of late been said and heard of sedition in India, that a brief inquiry as to how far it really exists and to the extent to which it may exist, what is its origin and its character, may not be out of place at to-day's meeting. Five years ago, when Lord Curzon announced to the whole world at the Delhi Durbar that the people of

India were frankly loyal to the British connection and the British Crown, I believe he stated but the bare truth. Now, when any one speaks of loyalty in India in this connection, he speaks not of a sentiment similar to that of feudal Europe or of Rajput India, but of a feeling of attachment to British rule, and of a desire for its stability based on enlightened self-interest—on an appreciation of what the rule has on the whole done for the people in the past and of the conditions which it ensures for future progress. In this sense the educated classes of India have been from the beginning entirely loyal. It was, however, inevitable that they should gradually grow more and more dissatisfied with their own position in the country and with the existing system of administration, and twenty-two years ago they started an organized agitation for reform. This agitation, perfectly constitutional in its aims and methods, rapidly grew all over the country from year to year. It had not received much encouragement from the Government, but no serious obstacles had anywhere been thrown in its way, and its current flowed more or less smoothly and on the whole free from racial bitterness till Lord Curzon's time. Then came a great and, in some respects, a decisive change. Lord Curzon's reactionary policy, his attempt to explain away the Queen's Proclamation, his unwise Convocation speech at Calcutta—all these produced intense exasperation throughout India. This exasperation was the worst in Bengal, because, though Lord Curzon's measures affected all India, they fell with special weight on Bengal. And when on the top of these measures the Partition of Bengal was carried through, a bitter and stormy agitation sprang up in that Province, in which the general agitation for reform soon got completely merged. The bitterness of Bengal agitation gradually came to communicate itself to the reform movement all over the country by a sort of sympathetic process. Bengal has always been the home of feeling and of ideas more than any other part of India. The people took to heart very deeply the failure of their agitation against the Partition, and then the more reckless among them began to ask themselves new questions and came forward to preach what they called new ideas. It is true that they have received a

certain amount of hearing in the country, but that is more on account of the passion and poetry of their utterance than on account of any belief in the practicability of their views. Their influence, such as it is to-day, is due to the alienation of the public mind from the Government, which has already occurred, but which the Government have it still in their power to set right. Measures of repression will only further alienate the people, and to that extent will strengthen this influence.

At the beginning of this year, another acute agitation sprang up, this time in the Punjab, against the Colonisation Bill and other agrarian grievances, and a fresh element of bitterness was added to the situation by the State prosecution of the *Punjabee* on a charge of exciting racial ill-will, when the *Civil and Military Gazette* had been let off with only a gentle remonstrance. This agitation too on its side swallowed up for the time the general reform agitation in the Punjab, and the reform movement in other parts of India could not escape being affected by it. Then came the demonstrations at Lahore and the disturbance at Rawalpindi, and then the repressive measures of the Government—notably the deportation of Lala Lajpat Rai, the arrest and prosecution of Rawalpindi pleaders and the Public Meetings Ordinance. The whole country was convulsed and while the Punjab itself was paralysed, in other parts of India even the most level-headed men found it difficult to express themselves with due restraint. That a man like Lala Lajpat Rai, loved by thousands not in his own Province only, a man of high character and of elevated feeling, a keen religious and social reformer, and a political worker, who, whatever his faults, worked only in broad daylight, should have been suddenly arrested and deported without a trial—this was a proceeding which stunned the people throughout India. And as regards the Rawalpindi case, what shall I say! For four months the whole country witnessed the spectacle of the venerable Lala Hansraj, a man as incapable of promoting disorder as any member sitting at this table—with other gentlemen equally respectable, rotting in the lock-up on a charge of inciting to violence and

conspiring against the Crown! My Lord, it will be long before the memory of the sufferings of these men is wiped from the public mind. Meanwhile the country is waiting to see how the authorities deal with those who brought these sufferings on them by producing evidence which the trying Magistrate has pronounced to be 'most untrustworthy and probably fabricated'! My Lord, with these things happening in the country, is it any wonder that the voice of those who counsel patience and moderation and self-restraint should be for the time at a discount among their countrymen? The occurrences of the last six months have afforded ample encouragement to those who like to talk strongly and do not occasionally mind talking wildly.

This, then, is the position. A few men in Bengal have now taken to preaching a new gospel, and here and there in the country one occasionally hears a faint echo of their teaching. But their power to influence the people—to the extent to which they are able to influence them—is derived mainly from the sense of helplessness and despair which has come to prevail widely in the country, both as regards the prospects of reform in the administration and as regards the removal of particular grievances. The remedy for such a state of things is therefore clearly not mere repression but a course of wise and steady conciliation on the part of the Government. Your Lordship has already taken a most important step in the direction of such conciliation so far as the Punjab is concerned by vetoing the Colonisation Act. Let the work of conciliation be carried further, let the deported prisoners be brought back, and if the Government have anything against them, let them have a fair trial; and let the Province remain under the ordinary law after the Ordinance expires. As in the Punjab the Colonisation Act has been vetoed, so in Bengal let Partition be modified in some manner acceptable to the Bengalees. The causes of acute discontent in these two Provinces will then have disappeared and the old stream of a movement for reform will be separated from the bitter tributaries that have recently mingled with it. The Government can then deal with the question of reform on its

own merits, and if it is handled in a spirit of broad-minded statesmanship a solution may be arrived at which will give general satisfaction. In this connection, I would like to say a word about a remark that fell from the Hon'ble Sir Harvey Adamson on 18th October. Speaking of the necessity of coercion, the Hon'ble Member said: 'The Government of India have all along recognised that unrest is not solely the outcome of seditious agitation, but has its basis on the natural aspirations of the educated Indians. To meet these aspirations and to associate Indians more closely in the administration of the country, we formulated a large and generous scheme of reform which is now before the public for criticism.' And he proceeded to express his disappointment at the reception which the schemes had met with and to complain that that reception showed that the Government had to deal with a section of irreconcilables. My Lord, I am sure the Hon'ble Member had no intention of branding all who are unable to grow enthusiastic over the Government proposals as 'irreconcilables.' The words employed by him have, however, been so understood, as may be seen from the telegram of the Bombay Presidency Association, and this is rather unfortunate. But what I want to say is this. If the Hon'ble Member expected that the publication of the Government scheme of August last would allay the discontent in the country in any degree, he was bound to be disappointed. The scheme is neither large nor generous, and in some respects it is not a scheme of a reform at all. And the general disappointment which it has occasioned has necessarily intensified the prevailing feeling of discontent. As though this was not enough, the language employed in explaining the proposals is in some places unnecessarily offensive to certain classes. And taken as a whole, the document, I regret to say, lacks that dignity of statement which one always likes to see associated in an important State paper.

My Lord, it has been said that though this Bill may be passed for the whole country, yet the people of any given place have two safeguards before they actually come under its provisions. The first is that the Government of India must extend this Act to their Province and the

second is that the Local Government must notify the place as a proclaimed area. A little consideration will, however, show that there is really not much in either of these safeguards. The first is purely nominal. A place may be absolutely free from sedition of any kind and yet if it is thought that some other place in the same Province requires the application of the provisions of this Act, the Government of India have no option but to extend the Act to the whole Province. And thus for the sake of even one place, a whole Province will have this Act applied to it. Again, when the Act has thus been extended to a Province, any place therein may find itself suddenly proclaimed for the seditious activity, real or supposed, of only a few persons, though the vast bulk of the population may be perfectly law-abiding and free from the faintest suspicion of sedition. And once an area is proclaimed, the whole population will be indiscriminately made over to police rule. It is this fear which, apart from other objections, lies at the root of the great anxiety and alarm with which the Bill is regarded in all parts of the country. The Hon'ble Member says that when it is thought necessary to proclaim an area, 'it is reasonable that law-abiding persons residing within that area should be prepared to suffer some slight inconvenience for the public good.' I wonder what the Hon'ble Member's idea of a slight inconvenience is. Is it a slight thing to be exposed to the annoyance and unpleasantness of domiciliary visits? Or to have social parties of more than twenty persons raided upon or broken up, and the host and even guests hauled up for holding a 'public meeting' without notice? The presumption of clause 3 sub-clause (3) may be successfully rebutted in Court and the Magistrate may acquit. But think of the trouble and misery which may be most needlessly caused. My Lord, with the kind of police we have in the country—men, for the most part, without scruple and without remorse—these are not imaginary fears. We have just seen at Rawalpindi what they are capable of. Other instances can also be cited, where cases have been manufactured from start to finish. It is true that the intention of the Bill is not to interfere with social parties. It is also true that under section 4, notice



has to be given only of such public meetings as may be called for the discussion of particular subjects. But a Police-officer who is interested in getting any man into trouble can always pretend that a gathering of more than twenty persons was a public meeting, and it will not be difficult for him to arrange for a little evidence that the gathering was held for the discussion of a political subject. And under the plea that an offence was taking place, viz., that a public meeting was being held without notice, he may want to be admitted to the place of the gathering. If the host is a strong man and knows his legal rights well, he may resist the officer and decline to admit him. But he may then find himself hauled up before a Magistrate and must be prepared to face a trial. But for one strong man who will thus defy the Police, nine will tamely yield. Moreover, in those cases which may go before a Court, how the Magistrate will construe the definition of 'public meeting' must always remain a matter of uncertainty. A curious illustration of this is supplied by the Hon'ble Member himself. Last Friday, the Hon'ble Member told the Council that the object of adding sub-clause (3) to clause (4) was to exempt meetings like municipal meetings from the requirements of notice or permission. 'If the provision,' he observed, 'were construed rigidly, it might be necessary to give notice or obtain permission before holding Municipal meetings in a proclaimed area.' In the Hon'ble Member's view, therefore, a Municipal meeting is a public meeting. My Hon'ble friend, Dr. Ghose, on the other hand, tells me that Municipal meeting cannot be a public meeting under the definition given in the Bill. Now, the Hon'ble Member was Chief Judge of Burma before he became Home Member of the Government of India. And Dr. Ghose is one of the most learned and distinguished lawyers in the country. A difference of opinion between two such authorities in construing the definition of public meeting, even before the Bill has become law, augurs ill for the manner in which the definition may be dealt with by plain or inexperienced Magistrates!

My Lord, there are other objectionable features of the Bill, but I do not wish to tire the Council with any

further observations. The Bill is a dangerous one, and the only satisfactory way to improve it is to drop it. But more than the Bill itself is, to my mind, the policy that lies behind the Bill. I consider this policy to be in the highest degree unwise. It will fail in India as surely as it has failed everywhere else in the world. It will plant in the minds of the people harsh memories which even time may not soften. It will by no means facilitate the work of the administration, and it will in all probability enhance the very evil which it is intended to control.

*When the Hon. Sir Harvey Adamson moved that the Bill amended be passed, the Hon. Mr. Gokhale said :—*

My Lord, I have not intended saying more than just a word at this stage of the Bill and that only by way of an appeal to Your Excellency. But certain remarks have fallen from the Hon'ble Member in charge of the Bill with regard to the responsibility for this legislation which makes it necessary that I should say a few words in reply as it is impossible to allow those remarks to pass unchallenged. The Hon'ble Member says that the responsibility for this Bill really rests with those who are described as the Moderate section of the Reform Party in India. Now, I for one have never been in love with the terms Moderates and Extremists. There is at times a great deal of moderation among some of those who are called Extremists and, on the other hand, there is no small amount of what is the reverse of moderation among some who are called Moderates. However, I fear the terms as they are now in use will stick and for the purpose of my present observations I will take them as they have been used by the Honourable Member. My Lord, I think it most unfair to put the responsibility for such sedition as there may be in existence in this country on what is called the Moderate Party.

In the remarks which I made at an earlier stage of to-day's proceedings, I went at some length into the question as to how the present situation has come to be developed. I do not want to go over the same ground again, but there are one or two things which I would like to

mention and emphasize. My Lord, when the officials in the country talk of sedition, they do not always mean the same thing. Different officials have different ideas of sedition. There are those who think that unless an Indian speaks to them with 'bated breath and whispering humbleness' he is seditious. There are others who do not go so far but who still think that any one who comments adversely on any of their actions or criticises the administration in any way or engages in any political agitation is guilty of sedition. Lastly, there are those who take a larger view of the situation and recognise that the term sedition should be applied only to those attempts that are made to subvert the Government. Now, I have no wish to say anything on this occasion about the first two classes of men. I will take sedition in the sense in which it is used by the third class and I will say this, that if such sedition has come into existence it is comparatively of recent growth, a matter of the last three or four years only—and the responsibility for it rests mainly if not entirely on the Government or rather on the official class. My Lord, from 1885, *i.e.*, since the close of the beneficent Viceroyalty of Lord Ripon, the Congress has been endeavouring to secure much needed reform in the administration. The present form of the administration is about fifty years old. We have long out-grown that now and the fact is admitted even by officials. But while they admit, in a general sort of way, that changes are necessary, they have some objection or other to urge against every change that is proposed. The result is that there has been hardly any movement forward, in spite of our efforts all these years and the patience of the more impatient among my countrymen has at last given way. In the earlier years of the Congress there used to be some room for a hope that the desired changes in the administration would come. After Lord Ripon came Lord Dufferin who was not unfriendly to the Congress though he was somewhat suspicious and he gave us the Public Service Commission. After him came Lord Lansdowne. He too was, on the whole, friendly though he was overcautious and he gave us the first form of the Legislative Councils. Then came Lord Elgin and from his time the fortunes of the Reform

Party have been at a low ebb. Lord Elgin's term of office was darkened by plague, famine and frontier wars and towards its close came repressive legislation against the Press. Then came Lord Curzon. He was a consummate master of glowing speeches and during the first two years of his regime, high hopes were raised in the country. These hopes, however, were soon dashed to the ground on account of a series of reactionary measures which he forced on the people. This disappointment coupled with the sense of constant irritation which we felt during the last three years of his rule proved too much for a section of the Congress Party and they began to declare that their old faith in England's mission in this country was gone. Then came the Partition as the proverbial last straw. The people of Bengal did all they could and all they knew to avert that Partition. Hundreds of meetings were held all over the Province. Prayers and protests poured in upon the Government and the people used every means in their power to prevail upon Lord Curzon to abandon his idea. But he simply treated the whole agitation with contempt and carried his measure through. The men who are called "Moderates" pointed out again and again to the Government the unwisdom of its course. They warned them that the measure, if forced on the people in spite of all the furious opposition that was being offered to it, would put too great a strain on their loyalty and that some of them, at any rate, would not be able to stand that strain, and events happened as they had been foreseen. The Hon'ble Member complains that open disloyalty is now being preached in Bengal but no heed was given to the words of the "Moderates" while there was time. And now when the mischief has been done, the Hon'ble Member turns round and wants to throw the responsibility for what has happened on us!

As regards the question of the "Moderates" denouncing the Extremists, it is not such an easy matter. In the first place, I am not sure that there is such an absence of disapproval or remonstrance as the Hon'ble Member imagines. But, secondly, such denunciation is largely a

question of temperament. All people do not always denounce whatever they disapprove. I will answer the Hon'ble Member's question in the matter by a counter question. There are certain Anglo-Indian newspapers which constantly revile Indians. Has the Hon'ble Member ever denounced anything that has appeared in their columns? I am sure he and many others like him would disapprove what often appears in the columns of the *Civil and Military Gazette* or the *Englishman*, but have any Englishmen in any place ever met together and expressed their condemnation of these papers? I hope the Hon'ble Member will now see that the question of denouncing those whose conduct you disapprove is not such an easy one. Moreover, with us there is an additional reason. We do not want to make confusion worse confounded. There are already enough divisions, in all conscience, in the country and we do not want to have a fresh cause of contention if we can help it. But let me say this to the Hon. Member whether the "Moderates" remain silent or denounce the Extremists, it will make very little difference in the hold which the Extremists are acquiring on certain minds of India. There is only one way in which the wings of disaffection can be clipped, and that it is by the Government pursuing a policy of steady and courageous conciliation.

My Lord, before this motion is put to the vote, I would like to say just a few words. Now that the Government have armed themselves with these drastic powers of coercion, I would humbly say to Your Lordship—keep these powers in reserve; do not use them immediately as far as possible, and conciliate Bengal. My Lord, there is the root of the trouble: with Bengal unconciliated in the matter of Partition there will be no real peace, not only in Bengal but in any other provinces in India. The whole current of public life in the country is being poisoned by the bitterness engendered in Bengal over this question of Partition. My Lord, I am not a Bengali, and therefore I can say these things with the less reserve and without any fear of being misunderstood. The people of Bengal are the most emotional people in all

India, and they will far sooner forget a material injury than one to their feelings. Now in this matter of the Partition—whatever its advantages or disadvantages, I am not concerned with that just now—there is no doubt whatever that the deepest feelings are involved. They feel that they have been trampled upon—and while they feel like that, there can be no peace. Already great alienation has taken place between them and the Government, and every day the position is growing worse.

The refusal of the sufferers in the recent disturbances to appear before Mr. Weston to give evidence is a significant illustration of the change that is coming over Bengal. The Government propose to meet this change by a policy of repression. My Lord, knowing them—the people of Bengal—as I do, I venture to predict that they *will* not be thus put down by force. The Bengalees are in many respects a most remarkable people in all India. It is easy to speak of their faults. They lie on the surface, but they have great qualities which are sometimes lost sight of. In almost all the walks of life open to the Indians the Bengalees are among the most distinguished. Some of the greatest social and religious reformers of recent times have come from their ranks. Of orators, journalists, politicians. Bengal possesses some of the most brilliant. But I will not speak of them on the occasion because this class is more or less at discount in this place; but take science or law or literature. Where will you find another scientist in all India to place by the side of Dr. J. C. Bose or Dr. P. C. Ray or a jurist like Dr. Ghose or a poet like Rabindra Nath Tagore? My Lord, these men are not mere freaks of nature. They are the highest products of which the race is regularly capable; and a race of such capability cannot, I repeat, be put down by coercion. One serious defect of national character has often been alleged against them—want of physical courage; but they are already being twitted out of it. The young men of Bengal have taken this reproach so much to heart that if the stories in some Anglo-Indian papers are to be believed, so far from shrinking from physical collisions

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they seem to be now actually boiling for them. My Lord, if the present estrangement between the Government and the people of Bengal is allowed to continue, ten years hence there will not be one man in a thousand in that province who has a kindly feeling for the Englishmen. The Government will have on their hand a tremendous problem, for there are thirty-three millions of Bengalees and the unwisdom and the danger of driving discontent underground amidst such a population will then be obvious.

My Lord, I appeal to Your Lordship to stanch this wound while there is yet time. I know the question is now complicated by the fact that the Mahomedan population of Bengal expect certain educational and other advantages to accrue to them from partition. No real well-wisher of India can desire that any of these advantages should be withdrawn from them, for the more the Mahomedan community progresses, the better for the whole country. But surely it cannot be beyond the resources of statesmanship to devise a scheme. While the expected advantages are fully secured to the Mahomedans, the people of Bengal may also have their great grievance removed. My Lord, considerations of prestige which have so far stood in the way of this work of conciliation may continue to obstruct it. I cannot understand how a Government, with the vast strength of a mighty Empire behind it, will suffer in prestige by such a line of action. But one thing is certain. Your Lordship has it in your power to set this matter right. And you will earn the blessing not only of Bengal but of all India if this source of continued bitterness and ill-feeling is removed from the land.

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## THE SEDITIOUS MEETINGS BILL, 1910.

*[On 6th August 1910, the Hon'ble Mr. Jenkins introduced in the Imperial Legislative Council the Bill to provide for the continuance of the Prevention of Seditious Meetings Act, 1907, and moved that the Bill be taken into consideration. Mr. Gokhale, in opposing the motion, spoke as follows :—]*

My Lord, this Bill may at first sight appear to some to be a comparatively modest measure, inasmuch as all that it ostensibly seeks to do is to prolong by just five months more the life of an Act which in the natural course of things would expire on 1st November next. And the very brief speech with which the Hon'ble Member has introduced his motion to-day is calculated to lend support to this view. Now, my Lord, if this had been really all that the Government had in view—even then, I should have deplored the action of Government, for, as I understand the situation, what the country taken as a whole needs to-day above every thing else is the opportunity for things quietly to settle down again to the normal; and, in providing this opportunity, responsibility rests as much on the Government as on the people. And in my humble judgment, a proposal at a time like the present to renew even for a few months a repressive measure of such exceptional severity as the Seditious Meetings Prevention Act, when the country is comparatively quiet and is getting quieter every day, is not likely to hasten that return to a normal frame of mind on the part of the people and that restoration of normal relations between the people and the Government which every true well-wisher of the country must so ardently desire. But, my Lord, I do not think that this Bill is merely a proposal to continue an expiring Act for a few months longer, and nothing more. I think there are grave reasons to fear that it is rather intended to be the prelude to another proposal to place the Act permanently on the Statute-book after the formality of a discussion in full Council at Calcutta next March. It



seems clear to me that if the Government had been anxious to govern the country without the aid of this Act—if even they had wanted to find out if they could so govern it—they would have welcomed the opportunity, instead of regretting it, of the Act lapsing next November, conscious of the fact that, if the necessity arose, they could re-enact the measure in a single day, and re-enact it probably with the support of a strong body of public opinion. The Statement of Objects and Reasons says that ‘on the unanimous advice of Local Governments, the Government of India are convinced that the continuance of the Act for the present is essential to the preservation of the peace,’ and therefore they are continuing it for five months. I am not surprised, my Lord, taking human nature as it is, that the Local Governments want to retain the powers which the Act confers upon them. That does not by any means show that the condition of the country is such that the Local Governments should have those powers. What is there, for instance, to-day in the condition of the Madras Presidency that should make the Government of Madras wish to have these powers? And yet we find Madras anxious along with the other Local Governments to retain these powers! It is therefore only ordinary human nature, and I do not think that we need attach any special importance to it. I wish, however, that the Council had had an opportunity of seeing those opinions of Local Governments. In the case of ordinary Bills, such opinions are as a rule supplied to Members. I asked for these papers two days ago under Rule 13 of the Rules for the conduct of legislative business; but the Government have not seen their way to comply with my request. But whatever be the grounds on which the Local Governments have based their advice, one thing is certain, that if they have asked for a continuance of the Act, they cannot have asked for its continuance for five months only; no one could, I think, calculate the requirements even of repression with such nicety! It is true that when the question comes up again for consideration, the personnel of the Government of India will have undergone a considerable change. But I do not think it is possible to find any comfort in that. In the first place, a Viceroy entirely new to the country

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is far less likely to take a line of his own in dealing with what we have been told is the unanimous opinion of Provincial Governments than one who has been five years in the country ; and secondly, we have already before us the fact that, though not one of Your Lordship's colleagues of 1907 in the Governnmet of India is to-day a member of the Government—a fact which significantly illustrates the rapidity and completeness with which the personnel of the Government changes in the country under the existing system—that has not made any difference as regards the present decision to continue the Act after October next. I take it therefore that during the next Calcutta session the Government will come forward again with a proposal either to further extend the period of the Act or, what is even more probable, to place the Act permanently on the Statute-book. Now, my Lord, we all know that when once the Government have made up their mind to adopt a particular course, nothing that the non-official Members may afterwards say in Council is particularly of any avail in bringing about a change in that course. Our only hope of preventing a decision which we consider to be fraught with serious injury to the best interests of the country is in any opportunity we may get to state our objections before the decision has been arrived at. And it is because the Bill before us gives us such an opportunity, as also because I am against the proposed continuance of the Act even for five months, that I deem it my duty to offer what resistance I can to the motion which the Hon'ble Member has just submitted to the Council.

My Lord, three years ago, when this Act was hurried through the Council at this hill station, only three non-official Members were able to attend the meeting. But among those there was my distinguished friend, the profoundly learned and ever brilliant Dr. Rash Behari Ghose. To the criticism which he then offered on the various provisions of the measure, I think it is unnecessary to add anything even to-day. The Act admittedly confers dangerously wide powers on the Executive, which, if used at all, are almost certain to be abused, and which must in practice paralyse all activity in the country. Meanwhile, the

Government already possess in the ordinary law of the land ample powers to meet all reasonable requirements, not only for punishing but also for preventing what has been called seditious or dangerous oratory. Under the Criminal Procedure Code the Government can break up, and even prohibit, meetings likely to prove dangerous to the tranquillity of the country, and they can bind down individuals. And the provisions for punishing seditious utterances do not certainly err on the side of leniency. I really do not see what more is wanted if the Government are to show a reasonable regard for the elementary rights of the people. Unless the idea is that nowhere in the country shall there be any deliberation or discussion or expression of opinion except on lines approved by the Government, and that too with their previous permission, I do not understand the necessity of arming the Executive with the vast powers which the Act confers. That these powers can be and as a matter of fact have been used, or rather . abused, for such a purpose may be seen from the fact that this year three ordinary district conferences in East Bengal were prohibited by the District Magistrates. My Lord, I listened carefully to the answer which the Hon'ble Mr. Earle gave yesterday to a question of my friend the Hon'ble Babu Bhupendra Nath Basu on this subject. In spite of that answer, I feel bound to say that, in my opinion, the action of the authorities was not justified; and I hold that the prohibition of the conferences was a serious abuse of the powers which the Act confers upon the Executive. Such conferences have been held for years past, not only in Bengal but all over the country. They are strictly on constitutional lines, and so far they have nowhere given rise to any trouble whatever. The Hon'ble Mr. Earle in his reply said that the prohibited conferences proposed to deal with subjects which did not concern the districts only. Now I would like to know what right or authority the Hon'ble Member had to lay down a proposition like that. A district is part of a Province; it is also a part of the whole country; surely the people of a district, if the Government are willing to allow them even small amount of patriotism or public spirit, are entitled to take an interest in the affairs of their Province and their

country ; and I say it is absurd to insist that a district conference should confine itself only to matters that concern that district. But, my Lord, it was not only these district conferences that were thus interfered with. In one of the districts a meeting proposed to be held by members of the depressed classes for the discussion of a social grievance was also disallowed. I understand that these classes in Eastern Bengal have some difficulty in obtaining the services of barbers, and these people wanted to hold a meeting and consider what arrangements they could make for getting themselves shaved. Surely that was not a subject in regard to which the powers conferred by the Act should have been exercised by the district authorities! And yet this was actually done under this Act. I understand that this prohibition was afterwards withdrawn. But that it should ever have been exercised shows the liability to grave abuse of these powers. In some places, the District Magistrate went the length of claiming the power to determine the actual wording of the resolutions proposed to be passed at public meetings! Such a claim reduces a public meeting to a mockery and a farce, for the resolutions then express the views not of the people assembled in the meetings but of the district authorities! My Lord, I am quite prepared to admit that circumstances may arise when even such drastic powers as the Act confers may be necessary in order to stem the flood of wild, irresponsible oratory dangerous to public peace. But I do not think that such circumstances exist at the present moment anywhere in India.

My Lord, I can conceive of circumstances in which it may be necessary to put even such powers into the hands of the Executive as the only way of checking the flood of wild and dangerous utterances that may be threatening the peace or tranquillity of the country. But I do not think such circumstances exist in any province at the present moment. And, in any case, it is to my mind intolerable that the whole country should be indiscriminately placed under such Draconian legislation. And this brings me to a suggestion which I made in the Council three years ago, when the Seditious Meetings Act was under discussion, and which I wish to repeat

to-day, namely, that if at any time such legislation is found to be necessary in any Province it should be undertaken by the Provincial Government in the Council of that Province, and not by the Government of India for the whole country. At present what happens is this. The alleged needs of the Province whose condition is the worst furnish the standard and determine the character of the legislation with which not only that Province but the rest of the country is to be saddled. Now, this is gravely objectionable, and to my mind it constitutes a most serious grievance. A simple remedy lies ready to hand, namely, to require each Provincial Council to undertake in such matters its own special legislation according to its needs. This will have the additional advantage of ensuring a full discussion of the condition of the Province before the legislation is passed. I claim on this subject the support of the Hon'ble Member whom we in Bombay have known to be a strong advocate of Provincial decentralization. It may be said, as Sir Harvey Adamson did three years ago, that, though such legislation may be passed for the whole country, it may not be extended to a Province without a careful consideration of all its circumstances by the Government of India. How illusory this safeguard is was seen last January, when we woke up one morning to find that the Seditious Meetings Act had been extended indiscriminately to every Province by a single stroke of the pen. My Lord, I assure the Council that there is a very real fear in the minds of even the most thoroughly law-abiding citizens that this Act, when put in force, places them in a position of serious danger, and they further feel that they may be exposed to the danger any moment without their having done anything to deserve it. A few utterances on the part of thoughtless young men or even a single utterance of that character may suffice for a whole district being suddenly proclaimed, and once it is so proclaimed every inhabitant of that district is at once put under what may be termed 'police rule.' No twenty persons can then meet even for the most innocent social purpose without being presumed to have gathered in a public meeting held without the permission of the authorities, and anyone may at any moment find himself accused

of having taken part in such a meeting and wrongly punished or otherwise harassed in a variety of ways. And with the kind of the police we have in this country the fear of wanton or malicious harassment is not wholly imaginary. My Lord, I am aware that the question of the character of the Indian police has now assumed a form when it is difficult to discuss it without rousing a certain amount of feeling. There is no doubt, however, that as a class the police are not trusted by the bulk of my countrymen, and that innocent people often go about in dread of what they may do, and the position has grown worse since the formation of what is known as the Criminal Investigation Department. This is largely the result of two causes—first, the quality of the material from which our police force is drawn; and secondly, the lack of a spirit of self-assertion among the people generally. The Government no doubt have of late done a good deal to secure a better type of recruits for the force, but the improvement in this respect can only be gradual. Moreover, as long as the people themselves do not know how to take better care of themselves as against the police, things are bound to continue pretty much the same as they are at present. What is absolutely necessary, however, is that the Government should not put additional powers into the hands of the police until a substantial improvement has taken place in their character and traditions. My Lord, it has been well said that more depends upon the manner in which a law is administered than upon the law itself. This is true of every law generally, but it applies, I think, in a special degree to repressive measures, and I feel bound to say that our experience in this direction has not been particularly encouraging. Take, for instance, the Press Act of last February. If ever there was a measure which should have been administered with the utmost care and tact and restraint, it was the Press Act passed last session at Calcutta. This was necessary to avoid all needless irritation. It was also due to those non-official Members of this Council who, in their desire not to add to the difficulties and anxieties with which the Government were then confronted, tried to go as far as they could in support of the measure. I grieve to say,

however, that in most Provinces these obvious considerations have not been kept in view in working the Act. I will not now refer to those cases in which security was demanded from old concerns when they presented themselves for a mere formal change in their registration, in spite of distinct pledges to the contrary given both in the Statement of Objects and Reasons and in the speeches of Members of Government in this Council. It was no doubt the result of what must be regarded as defective drafting, and I am glad to note that it has now been set right to a great extent by executive action on the part of Government. But there have been cases in which heavy securities have been demanded from old concerns without specifying what their offence was, and for some time past a regular seditious-hunt has been going on in some of the Provinces. Hardly a day now passes without some obscure sheet or pamphlet or old book being dragged forth from oblivion, and notified first by one Provincial Government and then by another as forfeit to the authorities. Now much of this is, to my mind, altogether futile, and it only tends to keep the Press Act in unnecessary and unpleasant prominence before the country. I think the exceptional powers conferred by the Press Act should be very sparingly drawn upon, and then, too, to meet only serious cases of objectionable and dangerous writing. I do not deny that the Act has exercised a restraining influence in some quarters where such influence was most necessary. But as against this we must place the irritation that is being continuously caused in the country owing to the feeling that the Act is being harshly or unjustly applied. The worst case in which the powers of the Act have been clearly misapplied is, to my mind, that of Mr. Mackarness's pamphlet. Mr. Mackarness had sent me a copy when the pamphlet was issued, and I had also seen the articles as they had at first appeared in the *Nation*. I can understand the objection that Mr. Mackarness had made a one-sided presentment of the case, or that he had not done justice to the efforts which the Government have recently been making in the matter of police reform, but that only means that someone else should have published a pamphlet in reply. Had anybody told me before the pamphlet

was proscribed that the Government contemplated applying the provisions of the Press Act to it, I should have declined to believe the statement. And now that the pamphlet has actually been proscribed, I can only regard the action taken with deep humiliation and pain.

My Lord, it will, I am convinced, be a grave blunder to place the Seditious Meetings Act permanently on the Statute-book or to propose a further lease of life to it after March next, and I earnestly implore the Government to abandon the idea if they have it. In 1907, when the Act was first passed, there was this to be said in its favour, that the situation in the country was daily growing more and more anxious and no one knew where things stood or whither they were drifting. We were then moving on the upward grade of our troubles and the outlook was dark and threatening. To-day, however, the situation is far different. The air has been largely cleared, there is a much easier feeling throughout the country, and there is no doubt that the country is now on the downward grade of its anxieties. The change has principally resulted from two causes—first, the Reform Scheme in its final form, which despite obvious imperfections constitutes an important step forward for my countrymen, has eased in no small measure the tension of the situation; and secondly, the criminal excesses of thoughtless young men have shocked the bulk of the people into a greater realization of their own duty to the cause of law and order. I think, my Lord, it is now daily becoming more and more clear that the wild elements which by their reckless careering have been a source of so much anxiety, have now well-nigh exhausted themselves, and the return of the country to a normal state of things is therefore now only a question of time; and nothing, I respectfully urge, should be done by the Government which will in any way retard this return. Not the heavy hand of coercion, but the gentle touch of conciliation and sympathy, of forbearance and oblivion—this is what the situation requires; and I earnestly trust these healing influences will be forthcoming in ample measure to obliterate bitter memories and start the country again on a career of prosperity and progress.



## THE SEDITIOUS MEETINGS BILL, 1911.

*[On 20th March, 1911, the Hon'ble Mr. Jenkins moved in the Imperial Legislative Council that the Report of the Select Committee on the Bill to amend the Prevention of Seditious Meetings Act be taken into consideration. Mr. Gokhale, in opposing the motion, spoke as follows :—]*

My Lord, it is with considerable reluctance and regret that I rise to take part in to-day's discussion. I had hoped, like so many of my friends, that the occasion for this discussion would not arise, that in view of the great improvement, which has taken place in the general situation of the country, and to which the Hon'ble Mr. Jenkins bore testimony the other day, the Government would not consider it necessary to prolong this legislation, and that in any case they would not seek to place the measure permanently on the Statute-book. As, however, the Government have come to the conclusion that they must continue to have this weapon in their armoury, and have it permanently, those who are unable to acquiesce in this view have no choice but to express their dissent, and that is why I must trouble the Council with a few observations.

My Lord, I do not propose to approach this question from the standpoint of abstract principles. Far be it from me to under-rate the importance of abstract principles. Abstract principles are usually derived from the accumulated wisdom and experience of ages, and in stimulating generous sentiment, in sustaining high ideals, and in lighting the path of life over dark and difficult ground, they are of inestimable value. But no thinker has ever urged that mere abstract principles should guide us, without reference to the circumstances amidst which they have to be applied. Thus the abstract principle of freedom of speech must be taken in relation to the circumstances amidst which that freedom is claimed; and

I am quite willing to concede that the theoretical objection to any proposed legislation that it restricts the right of free speech must be further supported by an examination of its practical consequences before it can be regarded as conclusive. But, my Lord, just as the right of free speech is an abstract right, so also the proposition that all loyal citizens must rally round the executive in maintaining law and order is an abstract proposition, and its value as a guide for practical conduct must depend upon the circumstances amidst which it is sought to be applied. I think, my Lord, when loyal citizens are called upon to rally to the support of the Government in any measures it considers necessary to maintain law and order, two questions have to be considered. First, what is the danger against which the Government wants to take measures, and secondly, what is the character of the measures which the Government wants to take? And this again leads us to another enquiry. Is the need of the Government urgent and immediate, or is the Government anxious only to take precautionary measures? If the need of the Government is urgent and immediate, then of course all ordinary considerations must be put aside, and every loyal citizen must range himself on the side of the Government in sanctioning and enforcing the measures that are thought to be indispensable. In a state of actual disturbance, in a state of dangerous activity on the part of elements hostile to the very existence of the Government, I can understand the Government calling on all loyal citizens to rally round it in this manner. But where the measures contemplated are more precautionary than required to meet an urgent and immediate situation, where the measures contemplated are more against possible developments in the future than any present need, there, I venture to think, that a different set of considerations apply. Now, my Lord, it is freely admitted that the present situation of the country is not of a character to demand such legislation for immediate use. We have been told that very probably this law—when the Bill becomes law—will not be put into force at all in the near future. Therefore, it cannot be claimed that the need of the Government is urgent and immediate, and we are

entitled to take it that the measure is intended to serve the purpose of a precautionary measure. Let us, therefore, examine the measure as a precautionary measure. And here there are two standpoints from which it may be viewed: one, the standpoint of the Government, and the other that of the representatives of the public who are called upon to assist the Government in such legislation. The Government naturally, in passing a precautionary measure, has, first of all, to consider how it can be made effective. A measure like this is not worth having unless it is reasonably effective. The representatives of the public on the other hand have first of all got to consider, since there is no immediate danger to be met, what harm is likely to result if the powers conferred by the measure are abused, and how to prevent such possible abuses. No one can deny that abuses are possible, even in regard to most carefully framed measures. Now, my Lord, so far as the effectiveness of this measure is concerned, I will freely admit, what has indeed been already admitted by so many of my Hon'ble friends, that, from the standpoint of the Government, it could not have introduced a milder measure than this. The more objectionable features of the Act of 1907 have been removed, and if, when the need arises, this law is applied with reasonable care and caution, it is not likely to produce any serious hardship. I am free to admit that at once, and I do not think there is any difference of opinion on that point. But while the Government may claim to have removed from the old law its harsher features, we here, who represent the public, that will have to come under this law, have also got to consider what will happen if the powers which this law confers are abused; and from that standpoint, my Lord, I submit, that, though a great deal of cargo has been thrown out of the vessel, still, enough remains to fill our minds with apprehension. Let us, my Lord, take the case of an area which comes to be proclaimed under this law. It is quite true that the Government of India will have first to extend the notification to the province; it is quite true that the Local Government will have next to proclaim the area, and that, too, now, after first obtaining the sanction of the Governor-

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General in Council ; but after all, in the last analysis, it is the opinion of local officers that will generally prevail in these matters. If the local officers strongly hold that a particular area is developing a dangerous activity—whether it is actually doing so or not is a different question—if the local officers think so, the Local Government, in ninety-nine cases out of a hundred, will endorse that view; and when the Local Government urges this view upon the Government of India, I think it is very improbable that the Government of India will refuse to extend this law to that particular province and that particular area. Therefore, my Lord, in the last resort, it is the opinion of local officers that will really prevail; and when once an area has been placed under this law, the Local Government and the Government of India will, so to say, be out of it, and it is the district authorities that will then apply the law and stand face to face with the people.

Now, my Lord, I do not wish to make any general or sweeping observations about district officers. The district authorities of this country try to do their duty as conscientiously as any body of human beings, similarly circumstanced, can do; and they have their exceptional and their average men. There are in their ranks some who are exceptionally high minded and conscientious; a large number who merely take a routine view of things, and do what they consider to be their duty without considering how it will affect the people; and some who are intolerant of all criticism and who certainly will not hesitate to use the powers which a law like this will confer on them, in order to put down all political agitation, whatever its necessity or character. And I distinctly fear that in an area proclaimed under this law, there is no small likelihood of these exceptional powers being abused. It must be borne in mind that district authorities, in their turn, are dependent for their information upon the police and it is well known that the police of the country as a class are feared and not trusted. Therefore there is a serious danger that the powers under this Act may be abused; and since there is this liability to abuse, it becomes necessary for the representatives of the people

in this Council to consider what should be their attitude towards a measure of this kind. My Lord, I have considered this question long and anxiously, not only in connection with this particular measure, but also on other occasions, which have arisen in the past, as to what should be our attitude towards the repressive measures which the Government comes to consider as necessary. The position, briefly, is this. The Government of India considers certain legislation to be necessary in order that certain evils, actual or anticipated, should be coped with properly. The Government's intentions, of course, are beyond question. The Government only wants the remedy to be applied to the evils and does not want any excessive zeal on the part of any of their officers. If the non-official Members of this Council take only the intentions of Government into consideration and raise no objection to the proposed legislation, they become responsible for that legislation along with the Government. As soon, however, as the legislation is passed, the matter gets out of the hands of the Government of India; and wherever the legislation happens to be enforced, every officer who administers the law comes to be armed not only with the spirit of the law but also with the letter of the law. And, then, when abuses occur, non-official Members, who have been assenting parties to the legislation, find themselves placed in a very awkward position. I will illustrate my meaning by what occurred last year in connection with the Press Bill. Last year, when the Government of India introduced a drastic Press law, it was a time of considerable anxiety for the Government. And if ever the Government was entitled to the co-operation of the people in repressive measures, it was at that time. A generous measure of Council reform had been conceded, and when the new Council was about to meet, a diabolical murder had taken place here in the very precincts of the High Court. The time was such that every generous sentiment urged one not to judge the proposals of Government in any very critical spirit. When the Government brought forward its measure, ample material was laid before the Select Committee, which satisfied many of us that in several parts of the country, a section of the Press habitually went beyond

all reasonable bounds and needed to be controlled ; and that if the Government were to rely merely on ordinary prosecutions, the evil was most difficult to deal with. When, therefore, it was proposed that some executive action within certain limits should be tried to cope with the situation, several Members of this Council came to the conclusion that we should not stand in the way. And when the Bill came up before the Council we did not oppose it, and practically gave a sort of reluctant assent to the measure. If ever, therefore, there was a measure, which should have been enforced with care and caution, it was that Press Bill. Apart from the fact that a harsh enforcement of the measure was liable to turn the feeling of the people against Government, this special caution was due to those non-official Members who at a difficult time had come forward to range themselves on the side of Government. There was never any doubt about the intentions of the Government of India. We were assured, both in private conversations and in the speeches of Members of the Government in this Council, that the law would be applied only to extreme cases, that the past would be wiped off the slate, and that the measure would be enforced only in the case of new and serious offences. And in waiving our opposition to the measure, we permitted ourselves to believe that the remedy would be tried in that spirit. As soon, however, as the Bill was passed, Magistrates in all parts of the country started enforcing the provisions in the harshest manner, and the worst cases occurred, I am sorry to say, in my own province. Bombay. For the most paltry reasons, security came to be demanded, with the result that even thoughtful men, who deplored the excesses of the Press, turned violently against those who had stood by the Government in the matter. I know the Members of the Government were themselves distressed to see this abuse of the Press Act. Sir Herbert Risley, who had introduced the measure, had gone, but Sir Harold Stuart, the Home Secretary, was here. I had a talk with him on the matter, and I know he was deeply grieved that this harassing over-zeal was being displayed by Magistrates, who were enforcing the letter and not the spirit of the law. The difficulty, my Lord, in such matters is that it

is impossible to communicate properly on paper the intentions of the Government of India even to the Local Governments, and further, if even it is found possible to do so, these intentions do not travel beyond the Local Governments; and hundreds of Magistrates all over the country, who come to be armed with the powers conferred by the law, do not think of the intentions or do not know anything about them. When I went back to Bombay last March, after the session of this Council was over, I found that the position of some of us had become, owing to the abuses of the Press law, almost intolerable; and this not merely in the eyes of those who were in the habit of talking widely, but even of those who wanted us to give a reasonable sort of support to the Government; so much so that I thought it necessary to ask for an interview with His Excellency the Governor of Bombay and lay the whole matter personally before him. Sir George Clarke entered into our feelings at once, and with that readiness which has always characterised him to look into grievances brought personally to his notice, he promised to set the matter right at once; and then the orders were issued, which stopped the whole scandal.

My Lord, the fear of such experience always weighs us down. We are quite willing to accept the statement of the intentions of the Government of India, as made known here. And we know that the Government of India has no other object in view than to put down the evils complained of. We know also that Local Governments will try to carry out those intentions to the best of their ability and as far as they understand them. But it is not the Government of India nor the Local Governments that ultimately exercise the powers; it is Local officers, scattered all over the country; and these officers, according to individual idiosyncracies, will interpret the law and enforce it. The whole question, therefore, is not so much a question of legislation as of executive administration. It has often been said—it is really a mere truism—that more depends upon the manner in which a law is administered than upon the law itself. And in the executive administration of the country we have absolutely no voice. If, in

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enforcing this law, non-official men were first consulted by district authorities, if their advice was sought beforehand, then there would be some safeguard against an abuse of these powers. If, for instance, district officers were to have round them district councils, as has often been suggested, and they were to put the powers of such law into force with the advice of the district councils, there would be some guarantee that no improper exercise or abuse of those powers, whether due to ignorance or excess of zeal, would occur. But as long as we have no opportunity of making our wishes known in the executive administration of the country, so long it becomes an exceedingly difficult matter for us to accept the responsibility which associating ourselves with the Government in such measures brings to us.

My Lord, after a great deal of consideration, I have come to the conclusion that while things are as they are to-day, our co-operation with the Government cannot ordinarily go beyond two classes of measures—constructive measures taken for the moral and material well-being of the people, and measures urgently and immediately necessary to deal with actual or threatened disturbances. I will illustrate my meaning by an analogy drawn from the question of military expenditure. If war or invasion were threatened, I think, whatever our views about military expenditure may be, we all should be willing to come forward and support the Government in any measures—even extra taxation—which the Government might consider necessary to cope effectively with the danger; but that is in an abnormal and extraordinary state of things. In normal conditions we should jealously scrutinise our military expenditure and urge the Government to keep it within reasonable limits. In the same manner, where an abnormal situation as regards the maintenance of law and order in the country arises, we should brush aside all ordinary considerations and come to the support of Government in any measures that are really necessary for putting down or preventing disorder. After all, we do not want any sedition in this country any more than the Government does. Our hopes for the future are bound



up with the peaceful maintenance of British rule; and in all measures, reasonably necessary for the maintenance of that rule, and reasonably applied, the Government is entitled to our co-operation and support. But there is the difficulty which I have spoken of, where measures are taken as mere precautionary measures, not required by any immediate necessities, but simply to guard against possible developments in the future. And I have come to the conclusion that, in view of the possibility of abuse, we must leave the responsibility for such measures to the Government. I admit that, as the responsibility for peace and order is primarily with the Government, the judgment of the Government must prevail in the end in such matters; but as the Government has the power to enforce that judgment, whether in this Council or outside we should not be expected ordinarily to assent to the exercise of that power, and no occasion for complaint arises if we prefer to stand aside.

I will now say a few words on the Bill before us, and then resume my seat. I do not wish to go into the details of this measure. That has been done by many of my Hon'ble friends and I do not think anything has been left to be said on the subject. It is admitted freely that the Government has removed from the old Act its more objectionable features, and that, if an Act must be passed, the Government could not have made it milder. But I must urge again, what I urged at Simla in 1907 and what I also urged last year, that legislation in such matters should be passed in Provincial Councils and not in the Imperial Council. My Lord, I think it is unfair to everybody—unfair to the Government of India, unfair to the Members of this Council, unfair to the whole country—that such legislation should be passed here. The only justification for such measures is the prevalence of an exceptional state of things, and unless such a state of things is general throughout the country, a province which wants to be armed with exceptional powers should seek to pass the necessary legislation in its own Council. As most provinces possess their own Legislative Councils, there is no reason why the Government of India should ask this

Council to accept a responsibility which should be borne by Local Councils. When the Government of India passes such legislation for the whole country, it gives rise to a feeling of general irritation, and the irritation is greatest in those provinces which need the special legislation the least. A province that is disturbed recognizes more or less the need for some measure of the kind; but the provinces that are in a normal condition feel that they have been badly treated. Moreover, it is impossible here, whether in Select Committee or in Council, to consider all the circumstances of the different provinces, whereas, if a province which needed these extraordinary powers were called upon to legislate for itself, the circumstances of that province would be discussed with full knowledge by Members, both official and non-official, before a final judgment is arrived at. It has been stated that all the Local Governments are in favour of placing this legislation permanently on the Statute-book. I do not think, however, that that goes far. No Local Government, or for the matter of that no authority, would like to relinquish the powers which it already enjoys. A clear illustration of this is furnished by what has happened in the Rhotak district in the Punjab. When the proclamation of Rhotak was about to expire, the Deputy Commissioner of Rhotak and the Commissioner of the Division strongly urged its renewal. The Lieutenant-Governor would not agree to that—at the same time he is unwilling to let this Act expire. Thus each authority wants to keep the powers which it possesses, and it is not strange that all Local Governments have expressed themselves in favour of the permanent retention of the Act.

My Lord, if the Government had proposed to limit the duration of this measure to three, four or even five years, that would have considerably altered its character. It would then have meant that the Government wanted a temporary remedy for a state of things which it did not consider quite normal. If this had been done, it would have been easier for us not to stand in the way of this Bill passing into law. My Lord, if this measure were passed for five years, what would happen? I am quite

sure that in five years things will so settle down that there will be no need for this measure. When this Act was first passed in 1907, Dr. Ghose and I pointed out that by itself it would not only prove 'no remedy for the state of things, but that it would drive discontent into more violent channels, and that what the situation needed was, above all, a large and generous measure of reform. And what we had prophesied actually came true; for in April 1908 the first outbreak of violence took place in the country. In November 1908 came the gracious message from the late King, the Proclamation of 1908, and it was followed soon after by the scheme of reform, which was announced by Lord Morley in his memorable speech of December 1908 in the House of Lords. The improvement in the situation of the country has been rapid since then, and further that improvement has been continuous; and, in spite of the two detestable outrages that have recently occurred, we all feel that, taking the country as a whole, the situation every day is improving and that it will not be long before the whole thing passes away like a hideous nightmare. That being our view of the situation, we feel, my Lord, that a temporary measure would have suited the requirements of the situation much better than a permanent measure of this kind. If, on the other hand, our estimate of the situation is found to be wrong at the end of four or five years, the Government has the power to renew the measure for a further period or indefinitely. There may be some little agitation to be faced, but that is a small consideration compared with the fact that, in placing this measure permanently on the Statute-book just now, the Government is going against a large volume of public opinion. My Lord, let not the Government be influenced too much by the latest outrages. They are like the dying embers of a fire that is going out. A number of young men came under unfortunate influences under circumstances over which I will not dwell, but the responsibility for which must be shared equally between the Government and the people. There is much truth in the adage that it takes two to make a quarrel. I am not however going into that; I only want to say that for three or four years a wave of wild teaching passed over the land, and

under the influence of that teaching a number of youths completely lost their heads and committed themselves to courses of conduct from which retreat was not easy. I think it is some of these men who are still responsible for these outrages. There may be a few more outrages in the near future—no one can say—but no new additions to the ranks of these men are taking place; the supplies have been cut off; and I feel quite sure that the situation will now grow better and better every day until at last only the memory of these times is left. I therefore urge, my Lord, that the Government should reconsider this matter even at this late stage, and limit the duration of the Bill to a period of three, or even five years. If this is done, some of us, who are unable to assent to a permanent measure may find ourselves in a position to reconsider the line which we have decided to adopt.

*[On the Hon'ble Mr. Jenkins moving that the Bill, as amended, be passed, Mr. Gokhale said :—]*

My Lord, before this motion is put to the vote I would like to make a few observations that have been rendered necessary by certain remarks which have fallen from my Hon'ble friend Mr. Ali Imam in the course of the somewhat exuberant support that he gave to this Bill. My Hon'ble friend marched through his speech, brandishing his sword high over his head, and dealing blows right and left at all and sundry, without considering whether they were really needed. However, I do not wish to refer to these attacks. But I feel I must remove some misapprehensions which are likely to be caused by what the Hon'ble Member has said with reference to my position last year over the Press Bill and my position to-day over the Seditious Meetings Bill. Before doing that, however, I hope my Hon'ble friend will let me remind him gently—and in this my Hon'ble friend Mr. Mudholkar has already anticipated me—that the word 'Opposition' is really not applicable to non-official Members sitting in this Council. I know that my Hon'ble friend meant to be complimentary when he spoke of me as the 'leader of the opposition,' but we are far away yet from the time when the Government Members

will exchange places with private Members in this Council, and until that time comes there can be no regular Opposition here, as the term is understood in Western countries. As a matter of fact, we support the Government here more often than we oppose it; and if, on any occasion, we have to differ, it is simply owing to our conscientious conviction that the view of the Government is not correct. I hope, therefore, that this description will not again be applied to us in future. My Lord, it was unfortunate that the Hon'ble Member had made up his mind as to what he was going to say before he had heard my speech; and therefore though I explained—I hope clearly—the difference between my attitude towards the Press Bill of last year and my position this year as regards the Seditious Meetings Bill, the Hon'ble Member did not take note of that explanation. My Lord, the Hon'ble Member was not fair to me when he said that last year I supported the Press Bill, though it was a permanent measure. In my minute of dissent appended to the Select Committee's Report, in the speech which I made when the Report of the Select Committee came up for consideration in this Council, and finally when amendments were moved—at all stages I most strongly urged that the Bill should be limited to three years only. I may further state that, even as regards the Press Bill, I never said that I *supported* the Bill. All I said was that I did not feel justified in opposing the Bill. These were the precise words I used:—"That in view of the situation that exists in several parts of the country, I have reluctantly come to the conclusion that I should not be justified in opposing the principle of this Bill." I pointed out throughout the risks of that law, and I urged again and again that it was of the utmost importance that it should be temporary. Finally, when the time for moving amendments came, I moved an amendment that the law should be limited to three years: and I may mention that up to the last moment—and I think this is within the knowledge of many Hon'ble Members who were then present—there was some uncertainty as to whether the Government would or would not accept the proposal; and as a matter of fact, before my amendment was put to the vote and lost, the Hon'ble

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Sir Herbert Risley, who was in charge of the Bill, went up to the Viceroy, and asked him before us all if he was to accept the amendment; thus up to the last moment there was a chance of our proposal being accepted, and we were influenced in our attitude largely by that hope. However, that, my Lord, is a small matter. The real difference between that Press Bill and this Seditious Meetings Bill, which the Hon'ble Member does not seem to realize, is this—under the Press Bill, only the man who actually writes takes the consequences. If a writer exercises reasonable care, keeps himself within certain limits, and writes with due restraint, there would probably be no trouble in his case. But under the Seditious Meetings Bill, while one or two men may make wild speeches in an area, once the area is proclaimed, all the people in that area are placed indiscriminately under the ban. And, in fact, the less objectionable a man's opinions are, the more he is sure to feel the hardship of this law. Take the place from which I come—Poona. Suppose there are some wild speeches made there, as may happen on any day, and Poona is proclaimed under this law; what happens? The men who will have brought down this on Poona will probably keep quite, but all the rest of us, who are pursuing our ordinary activities, shall find ourselves placed under this new law, having to give notice of every meeting that we hold, having to obtain permission beforehand in certain cases, and being liable on occasions to be charged with holding meetings surreptitiously. My Lord, the Hon'ble Member is now a Member of the Government, but he comes from the mufassal and has had personal experience of the mufassal in the past, and he should know that in the mufassal fear of what the police may do is very real. I come from Poona, a mufassal place in the Bombay Presidency, and I can assure the Council that we have very real fear that the police might cause trouble without cause. I have got that fear myself and everybody whom I know has got that fear, and I think it is only fair that the Government should know that this fear is entertained. My Lord, the Hon'ble Member says that this law keeps the police out. When I asked him on whose information the District Magistrate would act, he interpreted my

suggestion as if it was a wholesale denunciation of the Civil Service! Nothing, however, was further from my mind. He himself must feel that it was not a fair interpretation to put upon my words, because I had taken care in my speech not to give room for such an interpretation. I had said that the district authorities were, like similar bodies of men, composed of persons, many of them average, some exceptional; and therefore my query could not be construed as a denunciation of the whole Civil Service. My Lord, the police are not out of this Bill. The District Magistrate will act—indeed must act—on the confidential reports that he receives from the Criminal Investigation Department and other Police officers. You may say that he will examine these reports carefully and try to arrive at an impartial judgment. He may do so, but mistakes will take place as they have taken place in the past. You cannot avoid making mistake in such positions. Last year, when certain District Conferences were stopped in Eastern Bengal, when even a meeting of the depressed class was prohibited, what was the justification? In my humble opinion, these prohibitions were undoubted abuses of the powers under this Act. I do not know what view the Hon'ble Member holds about those orders, but these things are likely to happen again in proclaimed areas. My Lord, my Hon'ble friend quoted from a description which I gave last year of the state of the country, when I said that I did not want to stand in the way of the Government trying the remedy of executive action in regard to the writings in a section of the Press. But, my Lord, the Hon'ble Member ignores the difference between the Press and the Platform. In the Press, a man can do mischief from day to day without being noticed. Who is going to notice ordinary writings, unless there is something sensational to attract attention? But you cannot hold seditious meetings without attracting the attention of all. The Press and the Platform, therefore, as instruments of sedition, do not stand on the same level. Apart from that, however, the position last year was undoubtedly different from what it is to-day. I have already stated in my observations on this Bill that after the introduction of reforms in December 1908, a rapid improvement began:

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those who have had experience of the time before and after, will, I feel sure, corroborate what I say. The Press Bill, however, came up within less than two months after the introduction of the reform, and much time had not elapsed for things to settle down. And when I spoke of the state of certain parts of the country at that time, I did feel that the air was charged in many places with anti-English ideas, and I did say that it was necessary in our own interests that it should be cleared of those ideas. And that was why I did not want to stand in the way of the Press Bill being tried. But, my Lord, the situation has vastly improved since then, and were it not for the two recent, miserable outrages, I am quite sure there would have been but one opinion even in this Council, that there was no comparison between the state of things a year ago and to-day. These outrages, however, should not be allowed unduly to influence the mind of the Government. In any case that is my view, and I respectfully submit it to the consideration of the Council.

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## THE PRESS BILL.

*[On 8th February 1910, the Press Bill which has been introduced by the Hon'ble Sir Herbert Risley, Acting Home Member, at a previous sitting of the Imperial Legislative Council, and referred to a Select Committee, was taken up for consideration by the Council, H. E. Lord Minto being in the chair. Mr. Gokhale made the following speech on the occasion :—]*

My Lord, it is a cruel irony of fate that the first important measure that comes before the Reformed Council is a measure to curtail a great and deeply cherished privilege which the country has enjoyed, with two brief interruptions, for three-quarters of a century. But while the plans of statesmen have matured slowly, events designed by malignant fates to frustrate their purpose have moved faster. And thus we find that just when the scheme of reforms has materialised, the sky is dark with clouds which probably will roll away before long, but which for the time wear a threatening aspect. My Lord, I confess that the regret with which I approach a consideration of this Bill has been deepened by the fact that the measure is being hurried through its several stages by suspending the standing orders and without giving the country practically any opportunity to express its opinion on it. In saying this, I do not forget the fact that Lord Lytton's Act of 1878 was introduced and passed at one sitting, nor do I overlook the consideration shown by Your Lordship, after deciding to suspend the standing orders, in giving us at least these three days for consideration and in referring the Bill to a Select Committee. But, my Lord, was this unusual procedure necessary? Surely a week or ten days' delay in enacting this measure would not have made any appreciable difference to any body, since the Bill seeks to apply to the situation what at best can only be a slow remedy. However, I do not wish to pursue this point further; I might not have said even this much, had it not been for

the fact that the Government has been reproached in certain quarters for giving us even these three days.

My Lord, in the minute of dissent which my Hon'ble friend Mr. Mudholkar and I have appended to the Report of the Select Committee, we have briefly stated our position in regard to this measure. That position I would like to amplify in the few minutes for which I propose to occupy the attention of the Council. It is admitted on all hands—the Hon'ble Member in charge of the Bill has admitted it in his speech—that the Penal Code is amply sufficient to *punish* sedition and that the special legislation of last year can effectively put down incitements to violence. What is contended however is that the punishment of seditious writings and utterances under the Penal Code, so far from restricting the area of sedition, actually widens it by reason of the unhealthy excitement it causes and keeps up for months, the ruse of natural sympathy of the public to the accused, the crown of martyrdom that comes to be placed on their heads and the amount of odium which the proceedings bring to the Government. And it is urged that the Government is convinced that the right plan to deal with sedition is to proceed by way of prevention rather than by way of punishment. Now, my Lord, I will at once admit that there is considerable force in the whole of this contention. But even so, section 108 of the Criminal Procedure Code which is a means of prevention and which was introduced into the Code twelve years ago for the express purpose of placing such a means at the disposal of the Government, should have been sufficient, and what I cannot quite understand is why it has not been found effective. The only explanation I have heard is that the proceeding under that section being judicial and liable to revision by the High Court, it practically means a trial for sedition, with this difference only that the person proceeded against, instead of being severely sentenced, is merely called upon to give security. But this was precisely the chief merit claimed for the section when it was enacted in 1898, as a reference to the proceedings of the Council of that time will show. My Lord, I cannot help saying that it would have been fairer to the Legislature if the Government

had tried section 108 of the Criminal Procedure Code in some cases, instead of allowing it to remain practically a dead letter, before applying for fresh powers. Or if it was considered that the time had gone by when the section, as it stood, could be usefully applied—I myself am inclined to think that in some parts of the country the evil has now gone beyond the stage where section 108 could be applied with much effect—a proposal to amend the section so as to make its operation more simple and expeditious would have caused less disturbance to our ideas on this subject and would undoubtedly have been more acceptable.

My Lord, the principal addition which the Bill makes to the powers already possessed by the Government for dealing with sedition is that it makes the taking of security from printing-presses and newspapers a purely executive act. It also empowers the Executive to order the forfeiture of such security and even the confiscation of printing presses on the ground that an offence has been committed, though here an appeal is allowed to a Special Tribunal of High Court Judges. These are the main provisions and they embody what may be called the principle of the Bill. My Lord, in ordinary times I should have deemed it my duty to resist such proposals to the utmost of my power. The risks involved in them are grave and obvious. But in view of the situation that exists in several parts of the country to-day, I have reluctantly come, after a careful and anxious consideration, to the conclusion that I should not be justified in opposing the principle of this Bill. It is not merely the assassinations that have taken place, or the conspiracies that have come to light, or the political dacoities that are being committed, that fill me with anxiety. The air in many places is still thick with ideas that are undoubtedly antagonistic to the unquestioned continuance of British rule, with which our hopes of a peaceful evolution are bound up and this is a feature of the situation quite as serious as anything else. Several causes have contributed to produce this result, of which the writings in a section of the Press have been one. And to the extent to which a remedy can be applied to these writings by

such executive action as is contemplated in the Bill, I am not prepared to say that the remedy should not be applied. There is no doubt that even if the powers conferred by the Bill are exercised judiciously some inconvenience and even hardship is inevitable to well-intentioned concerns. And if the powers are not exercised with care, great harm is bound to follow. Moreover, as long as this law continues in force, even the best Indian concerns must work in an atmosphere of uncertainty and apprehension. But all these risks may be temporarily borne if they help in some measure to free the air of ideas of which I have spoken. Only it is of the utmost importance that they should be temporary, and I therefore most earnestly urge that the operation of this law should be limited to a period of three years only. Further, I think the rigour of some of the provisions can well be softened without rendering the Bill less effective. With these, however, I will deal when I move the amendments of which I have given notice.

My Lord, I have said that the situation in several parts of the country is an anxious one. That however does not mean that in my opinion things are really going from bad to worse. On the contrary I entirely share the view which was so clearly and firmly expressed by Your Lordship on the opening day of this Council—a view in such striking contrast to the nervous opinions that one hears on so many sides, especially in this city—that the general situation is far easier to-day than it ever was during Your Lordship's time. There is no doubt whatever that the Reform Scheme, despite considerable dissatisfaction about details, has largely eased the tension of the situation and has brought over to the side of the administration factors that might otherwise have remained sullenly or helplessly aloof. There is no doubt also that these wicked assassinations and dacoities which have been disfiguring the page of Indian history since last year have at last roused the Indian community to a sense of the great danger in which it stands. Our community is a slow-moving community, but once it begins to move, it moves surely. And any one who can read the signs may see that it has shaken off its lethargy and begun to advance to the support of law and order. My Lord,

the crop of violence that has now come to the surface had its grounds prepared five years ago. I sincerely believe that no new ground is being added to it, and though we may not have seen the last of these outrages, I think we are nearer the end than many imagine. But the juncture is a most difficult and delicate one, and if ever any juncture called for the utmost tact and conciliation, such as we have now learnt, despite repressive measures to which you have been from time to time driven, to associate with Your Lordship's name, that juncture is the present. Angry cries for reprisals, however natural and even justified, will not mend matters and will certainly not assist the task that lies before the Government. My Lord, I am not one of those who think that any appreciable section of the Indian Press has always been seditious or that the press in India has, on the whole, done more mischief than good. On the contrary, our Press has been in the main a potent instrument of progress; it has quickened our national consciousness; it has spread in the country ideas of justice and equality not only between man and man but also between class and class; it has stimulated our public spirit; it has set us higher standards of public duty. And till five years ago, I do not think that, barring a very few exceptions, any section was actually seditious, if by sedition a desire to see British rule overthrown is understood. A considerable proportion was no doubt often ill-informed, prejudiced, even intolerably bitter in its comments on the administration and its measures; but this sprang mainly from ignorance and from feeling that grievances were not redressed, and not from any actual hostility to the rule itself. During the last five years seditious ideas have no doubt spread more or less in all parts of the country and in some parts more rapidly and extensively than in others. This, however, has been due to special causes which are now well understood and over which it is unnecessary to dwell. I think, my Lord, my countrymen are now growing alive to the fact that nothing is more surely destructive of our hopes of future progress than the spread of these ideas in the land. In my opinion, our first duty is to help in removing these ideas from the air, and because I feel this most strongly, I am prepared to let

the Government apply to the situation even the drastic remedies contemplated by this Bill. I do not know if we shall succeed in overcoming the evil altogether. Even if it lies dormant for a time, there is much in the situation itself which will constantly tend to stir it into fresh activity. I have already said that several causes have combined to bring about the present state of things. It is of course impossible to go into all of them, but one of them may be mentioned—it is the writings in a section of the Anglo-Indian Press. My Lord, I doubt if many Englishmen realise how large a share these writings have had in turning so many of my countrymen against British rule. The terms of race arrogance and contempt in which some of these papers constantly speak of the Indians and specially of educated Indians cut into the mind more than the lash can cut into the flesh. Many of my countrymen imagine that every Anglo-Indian pen that writes in the Press is dipped in Government ink. It is an absurd idea, but it does great harm all the same. My Lord, I feel bound to say that this Bill by itself cannot achieve much. It is even possible that the immediate effect of its passing will be to fill the public mind with a certain amount of resentment. And unless the powers conferred by it are used with the utmost care and caution, the evil which they are intended to combat may only be driven underground. Force may afford temporary relief, but it never can prove a permanent remedy to such a state of things as we have in this country. It is only in the co-operation of all classes and the steady pursuit of a policy of wise conciliation on the part of Government that the best hopes of thoughtful men on both sides for the future of this land must lie.

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## INDIAN TARIFF (AMENDMENT) BILL.

*[On 4th March 1910, the Hon'ble Sir Guy Fleetwood Wilson, Finance Member of the Government of India, presented the Report of the Select Committee on the Indian Tariff (Amendment) Bill, and His Excellency Lord Minto, who was in the chair, having suspended the rules of business, the Report was taken into consideration immediately. The debate that followed was opened by Mr. Gokhale with the following speech :—]*

My Lord, before the Council proceeds to a consideration of the several amendments of which notice has been given, I would like to make a few observations on the general financial situation which in the opinion of the Hon'ble the Finance Minister has necessitated the imposition of fresh taxation. Hitherto fresh taxation has been associated in our minds with war or famine or a sudden increase in military charges or a falling exchange. This is the first time, so far as I am aware, when it is proposed to levy additional taxation in a normal year, free from any specially disturbing factors. The Finance Minister has told us that opium and East Bengal are responsible for the new burdens sought to be imposed upon the country. He expects the opium revenue for next year to fall short of the amount realised during the current year by £872,000 or about a crore and thirty lakhs; and he is called upon in addition to find an extra quarter of a million, or thirty-eight lakhs, to relieve the embarrassment of the Government of East Bengal and Assam. In the Finance Minister's opinion, therefore, the principal share of the responsibility for the present difficulty falls on opium. Now, my Lord, I think it is necessary to protest against this view. Even assuming that the estimate of opium revenue for next year is not an under-estimate, we still find that the net receipts budgetted for under opium are 3½ millions sterling which was precisely the amount of the net opium revenue realised in 1907-08, when there was no

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deficit and when the policy of gradually extinguishing the opium revenue in ten years was laid down. In announcing that policy, His Honour Sir Edward Baker, who was then Finance Minister, expressed himself as follows :—

Twenty years ago or even less, the prospect of losing a revenue of five and a half crores a year would have been a cause of very grave anxiety. Even now, if the whole or a great part of the revenue should be struck off at a blow, the dislocation of our finances would be serious and might necessitate recourse to increase of taxation. But if, as we have a clear right to expect, the transition is effected with a due regard to our convenience and spread over a suitable term of years, the consequences may be faced if not with equanimity, at least without apprehension.

And again :—

The point which I wish to emphasise at present is that there is no need for dependency and that if all goes well, there is nothing worse to fear than the absorption for a few years of the means of affording further relief to the taxpayer and of incurring useful expenditure for the development of the country.

Sir Edward Baker was thus prepared three years ago to face the loss of a tenth part of the opium revenue of 1907-08 every year without having recourse to extra taxation, if the circumstances of the country continued normal. And the Government should have been prepared to-day to part with three-tenths of three and a half millions, that is, about a million sterling. Instead, however, of the net opium revenue being only  $2\frac{1}{2}$  millions sterling, the Hon'ble Member has actually budgetted for  $3\frac{1}{2}$  millions for next year, and yet he throws on opium the main responsibility for his additional taxation! No, my Lord, if fresh taxation has really become necessary, which I, for one, venture to doubt, we must look for an explanation deeper. It is true that Eastern Bengal is now to have 38 lakhs a year more from the Imperial Government, which means that the partition of Bengal is now going to affect the whole country materially as it has already done politically. But as our normal growth of revenue is about a crore and twenty lakhs as once estimated by Sir Edward Baker, it is clear that the increased allotment to Eastern Bengal and Assam need not by itself have led to extra taxation. To understand what has really brought about a deterioration



in the financial position of the country, we must go back to the year 1907-08, and compare the figures of revenue and expenditure for that year with those in the budget proposals for next year. Taking both receipts and charges net, as given in statement E—and that is the best thing to do for purposes of a real comparison—I find that the total net receipts under major revenue heads for next year are estimated at 3 millions sterling more than for 1907-08—the opium receipts being the same for both years, namely,  $3\frac{1}{2}$  millions, but land revenue being two millions more for next year and there being a total increase of another million under other heads. I also find that as against this increase of 3 millions, there is a deterioration, under railways of over a million, an increase of no less than 1'01 millions under net charges of civil departments, nearly half a million under military services, and over half a million under interest, telegraph, minor and other heads. To my mind, therefore, it is clear that the main responsibility for our present difficulties rests on the shoulders of the civil departments and the Railway Board. My Lord, I cannot help saying that an increase of nearly 2 millions sterling in the net charges of the civil departments in three years is a phenomenal increase and needs explanation. I will not say that I am much surprised, for during the last few years there was hardly ever a day when we did not hear of higher scales of pay being sanctioned for the superior officers of some civil department or other. The operations of the Railway Board, too, which called forth a sharp remonstrance from His Honour the Lieutenant-Governor of Bengal last year, have had the inevitable effect of throwing on the resources of the Government a steadily increasing burden of working expenses. In addition to these two causes, I am of opinion that the prevalence of high prices in the country is bound to affect the Exchequer adversely in two ways. First, the Government, as the largest purchaser in the country, has to pay more for its purchases, and secondly, the pressure of high prices on the resources of the people tends to diminish the revenue contributed by them to the Government under several heads. I think, my Lord, that all these questions need a careful investigation. I had hoped, from the observations

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made by the Finance Minister in his Financial Statement last year, that he would not turn to fresh taxation until at least a policy of severe retrenchment had been carried out in all departments. It appears, however, from the present Financial Statement, that the Hon'ble Member has almost given up the unequal struggle. The forces that make for economy in this country are extremely weak, while those that make for continuous increases on expenditure in different departments are enormously strong, and one of the greatest needs of the country is to devise measures which will effectively safeguard the interest of economy.

My Lord, the proposed enhancements of duty under the Tariff Bill are expected to bring in an extra million sterling or a crore and a half of rupees, half of which will be contributed by tobacco and liquors and the other half by silver and petroleum. Now, I strongly hold that there is really no need for this extra taxation. In the first place, if the circumstances of the country continue normal, the estimates for the next year framed by the Hon'ble Member will be found to be too cautious. Under salt, for instance, I am confident that the increase will be considerably more than what has been budgetted for. Again, those who are well acquainted with the conditions of the opium trade are clearly of opinion—my Hon'ble friend Sir Sassoon David is a recognised authority in regard to that trade and he strongly holds the view—that in view of the special circumstances of the Chinese market, the rate of Rs. 1,750 per chest of opium which has been taken for next year is much too low and that Rs. 2,000 a chest will be a safe estimate. Lastly, I wish to draw the attention of the Council to the fact that a sum over three-fourths of a million sterling has been provided in the budget for the redemption of railway debt out of revenue. My Lord, I consider that this is an amazing thing to do, absolutely unjust to the tax-payers, when the Finance Minister comes forward with proposals for extra taxation on the ground that the money that will otherwise be raised will be insufficient for current purposes. Railway debt is productive debt. Even now, in spite of the fact that the Railway

Board has pushed up working expenses in all directions, the railways are more than paying the interest on their capital, and there is absolutely no need--I think it is wholly unjustifiable—to devote a part of revenue to the reduction of productive debt. The three-fourths of a million, which represents the capital portion of railway annuities, should clearly come out of loan funds raised for the purpose, and not out of current revenue which is needed for so many pressing current purposes. Even assuming that the Budget estimates are not framed too cautiously, and that the whole of the money proposed to be raised by the contemplated enhancements of duty under Tariff Bill is really required, the transfer of the amount provided for the redemption of railway capital from revenue to capital will enable the Government to dispense with the enhanced duties on silver and petroleum. My Lord, I have no objection to the proposed enhancement of tobacco and liquor duties if there must be extra taxation. In my opinion, however, spirits used in medicinal preparations should be exempted from duty. But I object most strongly to the proposed enhancements on silver and petroleum. The duty on petroleum will necessarily hit the poorest classes in the country. Burma oil may get some advantage under it, but I am afraid the price of even that oil will be raised, if not to the full extent of the new duty, at any rate by a large proportion of it. And as regards silver, I hope even the Finance Minister now sees that a great mistake has been committed in proposing the enhancement. It is bound to add seriously to the great difficulties through which the mill industry is at this time passing. My Lord, the country had a right to expect that the Government would not show such disregard of the interests of its greatest industry after agriculture. The action of the Government, while injuring Indian exporters of yarn, will benefit Chinese producers and thereby bring sensibly nearer the day when India will lose her yarn market in China altogether. It has been claimed for the proposal of Government that it will appreciate the silver trinkets of the mass of poor people throughout the country. The poor people will probably have no opportunity of testing that till a famine

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comes, when they might have to part with their trinkets. Meanwhile, in ordinary times they will find themselves adversely affected by the duty every day, as they will have now to pay a higher price for all fresh investments of their small saving in silver. My Lord, I strongly urge even at this last moment that the proposed enhancements of duty on petroleum and silver should be given up. If the Government insists on having the half million which they are expected to bring in, there are other ways far less objectionable of raising the amount. For instance, an enhanced import-duty on sugar will be greatly preferable to the enhanced duty on petroleum, and a small export duty on jute, of which we have a monopoly in the world, with a countervailing excise in India, if necessary, will bring in more revenue than the proposed duty on silver and will have much to recommend it. My Lord, I advocate an export-duty on jute on two grounds. In the first place, it is partly for meeting the increased cost of administration in Eastern Bengal that the new taxation is proposed. It is therefore only fair that Bengal, which already pays less than other provinces owing to her permanent settlement, should find the money by a tax on one of her great staples. Secondly, it is not just that, while the cotton industry of Bombay is already taxed, a further burden should again be laid on it, and the jute industry of Bengal should go altogether free. An export-duty on raw hides and skins which are being exported in enormous quantities may also bring a considerable revenue, and the same may be said of seeds. Or, if the Government prefer it, they may raise (and later lower) according to their needs the whole of the custom duties taken together, treating them in India as they treat the income-tax in England. I think, my Lord, that that would be preferable to selecting a few commodities like silver and petroleum for heavy enhancement.

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## SURPLUSES AND SANITATION.

*[On 5th March 1910, the 1st stage of the discussion on the Financial Statement for 1910-11 was taken under the rules of the Reformed Councils, the Hon'ble Sir Harvey Adamson, Vice-President, being in the chair. At this meeting, Mr. Gokhale moved that "this Council recommends that the amount of loan to be raised during the year 1910-11 should be £ 1,245,900 instead of £ 1,000,000 and that the sum of £ 245,900, which is the estimated surplus for the current year, should be allotted to the several Provincial Governments to be expended by them in assisting local bodies to carry out projects of sanitary improvements;" and in submitting this resolution to the Council, Mr. Gokhale made the following speech :—]*

He said:—I must first explain to the Council what my object is in moving this resolution. It is true that the resolution comes before the Council in the shape of a proposal to raise the amount of the loan that the Government want for next year. As a matter of fact, however, it is not an essential part of my proposal at all that the loan should be raised from 1 to  $1\frac{1}{2}$  millions. Whether the loan for next year is 1 or 2 millions or half a million is a matter of indifference to me; but I have had to put my motion in this form, because I do not want to disturb the provision made in the budget for capital expenditure and I do not want to disturb the cash balances that the Government expect to have for next year, after making this provision for capital expenditure. My real object is to secure the surplus of the year for expenditure in the promotion of sanitation throughout the country. What usually happens under the procedure adopted in connection with a surplus is this. The surplus forms part of the cash balances, and out of the cash balances a certain amount is devoted to capital expenditure, whenever this is practicable, and thus the surplus ultimately finds its way into capital expenditure. I want to withdraw the surplus for next year from being expended

as capital expenditure, and I would like to have it placed at the disposal of Local Governments, in order that they might use it in assisting local bodies, especially in municipalities, in carrying out projects of sanitary improvement. The whole of my resolution comes to this, that I want this Council to recommend that all surpluses that are annually realised, whenever they are realised, should, instead of going into the cash balances, and from there going into the construction of railways and indirectly to the redemption of unproductive debt, should be placed at the disposal of Provincial Governments and be ear-marked to assist municipalities in the promotion of sanitation. I have urged this question again and again on the attention of the Council for the past six years. I first raised it in 1904, and I have continued to press it year by year. Two years ago the then Finance Member, Sir Edward Baker, gave us about 30 lakhs to be expended on sanitation by municipalities. That was a small response to the appeal that I made year after year, but, with that exception, my appeals have had no effect. Starting with the year 1898-1899, we find that we have had, during the ten years, ten consecutive surpluses amounting to 25 millions sterling or 37½ crores. And the bulk of them have, under this system of accounts, gone first to Railway construction and from there to the reduction of our unproductive debt. Now, railway construction is a most desirable object, and so is also the reduction of the unproductive debt. Ordinarily, there would be nothing to be said against it, but at present, when there are objects, far more pressing and far more important, which require money, I do not think the Government is justified in devoting such a large sum out of surplus revenues in the way they have done. If this sum of £25 millions sterling, or 37½ crores of rupees, or at any rate the bulk of it, had been devoted to sanitary projects throughout the country, what a difference it would have made in every direction! I do not think I need say much about the needs of sanitation; the ravages of plague, malaria and other diseases in all directions and a death-rate already high and yet steadily rising—for 1907-08 it was 37 per thousand as against 35 per thousand in the three previous years—all that show that

one of the greatest needs of the country to-day is improved sanitation. How is the need to be satisfied? Our municipalities are admittedly very poor, their resources are small and they are already insufficient for their ordinary work. Sanitary projects are very costly; expenditure on them has to be on a Western scale, whereas it has to be carried out in Eastern cities, which, as I have already said, are very poor. If municipalities are left to themselves to undertake sanitary works, the case is a hopeless one; therefore Government must come to the rescue of the municipalities. The only way in which Government can do so is either by voting a large permanent annual grant, or by placing their surplus at the disposal of Provincial Governments for assistance to local bodies in carrying out these necessary works. As regards a large permanent grant, I should be very glad to see it, but I foresee obvious difficulties in the way, especially in a year like this, when the Finance Minister has just carried through Bills imposing extra taxation; it is therefore hopeless to expect that Government will make a permanent addition to its recurring expenditure for the purpose of assisting municipalities in regard to sanitation. But there is an easier way of helping them, and it is a way that will meet the requirements of the situation. What I propose is this. Whenever a surplus is realised, instead of its being devoted to Railway construction or some such object, it should be placed automatically at the disposal of Local Governments. A surplus is so much excess revenue taken from the people by the Government over and above its requirements. Even the Finance Department, that knows so much more than its critics, cannot calculate to a nicety how much money is required and how much will be raised in a given year. But when a surplus is realised, it is clear that the financial authorities have taken from the people more money than was required. Let this excess therefore go back to the people in the form of expenditure on improved sanitation. I think this is an eminently just plea, and I think that it is also a plea whose force should be recognised in the interests of the masses of the people. I know what was often urged by the late Finance Member, Sir Edward Baker, that it is the practice in other coun-

tries to devote surpluses to the reduction of debt. That is true, but I would remind the Council of what Sir Herbert Risely said when carrying through his Press Bill the other day. He said:—"Let India be guided by her own lights: she has her own problems and must solve them in her own way." Where the debts are huge as in England and other European countries, every opportunity should be taken to reduce the debt by means of a Sinking Fund or in any other way that it is practicable. In India the unproductive debt is a mere bagatelle; it is a paltry sum of 40 millions—it should be remembered in this connection that it is only the unproductive debt that matters. The reduction of the productive debt is not a matter of any importance, and should not be undertaken by Government out of the revenue of the country. The unproductive debt has got to be reduced, but as it is only about 40 millions, its reduction is not a matter of such immediate or paramount importance as the promotion of sanitation throughout the country. Sir, I have not much more to say. I would only urge this in conclusion that if the whole of this surplus cannot be made available, I am quite willing to agree to half the surplus being placed at the disposal of Provincial Governments. All that I insist on is that a surplus should not be absorbed by Government in the way it does at present.

*[Replying on the debate that ensued, Mr. Gokhale made the following speech :—]*

The Hon'ble Mr. Gokhale said :—Mr. Vice-President, I would like to say a few words by way of reply to the observations that have fallen from some of the members before the Hon'ble the Finance Minister has the final word in regard to this resolution so far as this year is concerned. I will first take up what the Hon'ble Mr. Madge said on this subject. Mr. Madge's difficulty is that I have proposed no principles on which the surpluses might be distributed by the Imperial Government among the Provincial Governments, if my resolution is accepted. Well, the answer to that is simple. The Government of India would have entire discretion in the



matter just as they always have whenever they are distributing extra grants among Local Governments. Two years ago, when His Honour Sir Edward Baker placed 30 lakhs at the disposal of the Local Governments, he used his discretion in allotting the grants to the Provincial Governments. The same will happen if my resolution is carried.

As regards what the Hon'ble Mr. Slacke said, that only in a way confirms my principal complaint. Of this 30 lakhs that the Government of India then gave to Provincial Governments, Bengal got  $4\frac{1}{2}$  lakhs and I suppose the Bengal Government wanted to distribute this sum among the different municipalities, giving a small sum here, a small sum there, and a small sum to a third municipality, and they wanted the municipalities to provide double that amount probably out of their own current resources in order to carry out some works of improvement. Now, I entirely object to this. What we need is large sanitary projects in important cities. But large sanitary projects cost plenty of money. In Poona, for instance, we have been wanting drainage for a long time very badly. The estimates given by different engineers have been 45 lakhs, 22 lakhs, and 16 lakhs the lowest, and so on. A single municipality, therefore, if it is to be effectively assisted, would absorb more than your  $4\frac{1}{2}$  lakhs, but that would be a far more effective way of applying such grants.

*The Hon'ble Mr. Slacke* :—That is exactly what was done.

*The Hon'ble Mr. Gokhale* :—But  $4\frac{1}{2}$  lakhs cannot go any great length in a big town where you want (say) 25 lakhs. But that is not the whole of my contention. I hold that even this one-third and two-thirds distribution of expenditure is beyond the powers of our municipalities. I have already pointed out that our municipalities are very poor. What are the sources of their income, what is the property which they can tax? House property they tax, but in most towns it is extremely poor property. They have a road-cess, a conservancy cess, and one or two other cesses, and they probably have an octroi duty. What

more is there in an ordinary city to tax, so that a municipality can derive any income? In Poona, for instance, where I had the honour to be at the head of the municipality for five years, we were practically bankrupt all the time I was there. It was a time of plague, and every pie we could spare was used in connection with plague operations. The roads had to be neglected, and the schools were cut down.

Well, I think that if these sanitary projects are to be carried out, the Government must contribute much more than this one-third. In some cases Government may have to find the entire amount if these works are to be undertaken. This is a situation which must be understood clearly. The Government constructs railways. Suppose some of the railways had been left to private enterprise in this country, where would our railways have been to-day? Suppose large trunk roads had been left to District Boards, where would trunk roads have been to-day?

I do not think it will do for Government to say that this is a matter which concerns municipalities alone, and they must find the bulk of the money. Government may as well say that they do not care whether there is improved sanitation or not in the country. Another point I would like to submit in this connection is that the present distribution of resources between Government, Imperial and Provincial on one side, and the local bodies on the other, is absolutely unfair to local bodies. If the local bodies had sources of revenue placed at their disposal which could bring in some considerable revenue, then I could understand the Government throwing the responsibility of constructing sanitary works on these local bodies, but in the struggle that they have to carry on to merely maintain themselves, it is almost cruel to expect these municipalities to find money for these vast undertakings.

I will now come to what the Hon'ble Mr. Meston said in reply to my resolution. The Hon'ble Mr. Meston's attitude is the old orthodox attitude of the Finance Department towards this question. I cannot hope to succeed where so great and powerful a member of the

Government, as our late Commander-in-Chief Lord Kitchener failed, because I understand that he often and very vigorously maintained the view which I have urged in this Council year after year. However, I mean to persevere. There were certain things which the Hon'ble Mr. Meston said which, if he will pardon my saying so, appeared to me to be somewhat curious. For instance, he said that if my resolution was accepted the unproductive debt of the country would be increased, and then the credit of the Government of which I have spoken would be affected. I do not know how the debt of the Government is going to increase if my resolution is accepted. I do not propose you should borrow, if you wish to help municipalities. Your unproductive debt is only about 40 millions to-day. Surely, if you do not borrow more I cannot see how it is going to increase. It could not, of course, diminish unless you devoted a portion of your surplus towards a further reduction, but certainly it could not increase. It is true you may have to borrow during famine times. That is another question; that has a history of its own, and you have to go back thirty years to understand that history. When the big famine of 1876-1878 occurred in this country, the Government estimated that on an average in about ten years from 10 to 15 crores were needed for actual famine relief and for avoiding the loss which occurred to Government in connection with revenue and so forth ! and they therefore in the year 1879, when Sir John Strachey was Finance Minister, imposed extra taxation to provide this fifteen crores in ten years' time—the amount that they expected to be lost by the State by direct famine losses and losses in connection with revenue. This tax is a part of the general taxes of the country. It has been added to since then ; it has not been taken away, and so there you will find the provision for preventing the growth of debt owing to famines. There is the standing provision out of the revenues of the country of half a million ; in this year's budget, you will find there is this provision of a million sterling a year, half of which is ordinarily devoted to the reduction of debt in order that, when famine times come, the Government should, if necessary, be able to borrow and

yet the debt may not be increased. Then the Hon'ble Member stated that the surpluses of which I have spoken had come from the earnings on railways— they were profits from railways. Now, I have not got the exact figures before me and I am speaking only from memory, but I am sure the Hon'ble Member is wrong. The profits from railways have not come to 20 millions in the last ten years, or even half that amount. I think the highest profit from railways was in 1906-07—the last but one year of Sir Edward Baker's tenure as Finance Minister—and it was then I think  $2\frac{1}{2}$  millions. The next year it was  $1\frac{1}{2}$  million or thereabouts. The total profits from railways during the last few years when railways have been paying, have not, I think, been more than 7 or 8 millions altogether; in any case, I am quite confident, they have never been anywhere near 25 millions. Moreover, if you are going to point your finger to the profits from railways, I would ask you to remember that railways have cost us, ever since they were first built, I think 53 or 54 crores, not less, during the time that railways were a losing concern, and not a paying concern. Therefore, if you are making any small profits now, those profits, I venture to say, should go to repay the country for the losses that the country had to bear on account of railways out of current revenues for 40 to 50 years.

The last thing is about the duty of local bodies. I say, Sir, that if this is the view that the Government are going to take, that sanitation is the business of local bodies and that they must help themselves as well as they can, all I can say is that this is not a view which should commend itself to this Council. The Government has introduced higher standards of administration in this country and it behoves Government to see that in sanitation also things which can be done only with substantial assistance from Government are done rather than left undone. There are two policies, so to say, before us. On the one side you have more and more expenditure on the Army, a top-heavy civil administration, and greater and greater expenditure on railways. That is one direction. The other direction is more education, more sanitation,

money for the relief of agricultural indebtedness, and similar objects concerning the moral and material well-being of the masses. Hitherto the first policy has been on the whole predominant. When I say that, I do not mean that the second has been neglected altogether. I do not mean that at all. But there is no doubt that far more money has been and is being spent on the first, whereas the second has been and is being comparatively starved; and I urge that the relative claims of the two on the resources of the country should now be reversed.

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## REDUCTION OR AVOIDANCE OF DEBT.

*[The second stage of the discussion on the Financial Statement for 1910-11 was taken on 9th March 1910, the Hon'ble Sir Harvey Adamson, Vice-President, being in the chair. At this meeting, Mr. Gokhale moved a resolution recommending the abolition of the annual allotment for Reduction or Avoidance of Debt under the head of Famine Relief and Insurance and in support of his motion made the following speech :—]*

The Hon'ble Mr. Gokhale said:—Sir, my resolution reads as follows :—

That this Council recommends that the annual allotment of half a million sterling under Famine Relief and Insurance to Reduction or Avoidance of Debt should now be abolished.

I would like at the outset to make a slight alteration in the wording of the resolution. I would say 'that this Council recommends that the annual allotment (which for next year, is half a million sterling) under Famine Relief and Insurance to Reduction or Avoidance of Debt, should now be abolished.'

I make this alteration because though in ordinary times when there is no expenditure on Famine Relief one might expect this allotment to be half a million—in practice it has not always been half a million: therefore in order to be strictly accurate I should like to alter the wording as proposed.

The Council no doubt is aware that there is a head of expenditure in our accounts known as Famine Relief and Insurance. The total charge under this head is one million sterling and is divided into three sub-heads. One is actual famine relief; the second is expenditure out of revenue on protective works, being both railway and irrigation, but now for all practical purposes irrigation; and third, the

sum allotted for the reduction or avoidance of debt. I understand there is a limit as regards protective works, not more than half being devoted to protective works. Therefore when there is no actual expenditure on famine relief, the other half goes, or can go, to reduction or avoidance of debt.

Now, Sir, I want to invite the attention of the Council briefly to the history of this Famine Insurance Grant, and I shall state it in as few words as possible.

This grant, or fund as it was called at the beginning, was created thirty years ago on account of very serious expenditure which Government at that time had to incur in connection with the relief of two famines. The Government of Lord Lytton in 1878-79 found that the Government of India had to spend about 17 crores of rupees in connection with the famine in Bengal and the North-Western Provinces in 1874 and the bigger famine which ravaged the Western and Southern Presidencies later on from 1876 to the beginning of 1878. The total expenditure in connection with famine relief and loss of revenue in the years was about sixteen or seventeen crores, and the Government decided that they should levy extra taxation in order to provide in the course of ten years a sum of 15 crores of rupees. It was calculated that ordinarily two famines might be expected in ten years, and a sum of one million sterling under the three heads which I have just mentioned, was provided and earmarked for famine purposes. Immediately afterwards a question arose as to how this money was to be disposed of. In 1879 a Parliamentary Committee was appointed, presided over by Lord George Hamilton, to enquire into the question of public works, and this Committee laid down how the Famine Insurance Fund should then be spent. I think perhaps the best way in which I could state to the Council the objects of that Famine Insurance Grant would be to quote an extract from the report of that Parliamentary Committee. This was what Lord George Hamilton and his colleagues said: 'During the financial years 1877-78-79 additional taxation was imposed in India in order to establish an annual Famine Insurance Fund of a crore and a

half (in the currency of that time a million and a half). That amount was fixed with reference to famine expenditure which during the last six years amounted to the enormous sum, exclusive of the loss of revenue of 14 crores of rupees and of which a large proportion had been met by borrowing. The object of this Famine Insurance Fund was, by increasing the revenue, to avoid constant additions to the debt of India which the prevention of periodical famines would entail by either applying that increase of income to works likely to avert famine and thus obviate famine expenditure, or by reducing annually the debt contracted for famine, so that if famine expenditure should again become inevitable the reduction of debt made in years of prosperity would compensate for the liabilities incurred during scarcity. This increase of taxation was sanctioned by the Secretary of State in Council on this understanding.'

The understanding, therefore, was that the grant was to be devoted, first, to preventing additions to the debt of the country, and secondly, for promoting protective works which would mitigate the rigours of famine. Now the history of this fund or grant is a somewhat chequered one. Immediately after it was instituted, owing to financial difficulties connected with the Afghan War, the fund had to be diverted to other purposes. During the five years of Lord Ripon's Viceroyalty the fund was spent on the purposes for which it was instituted, but again in Lord Dufferin's time there was a diversion.

There was then very considerable criticism in the House of Commons, and ultimately the Government restored this Famine Insurance Fund, but during Sir James Westland's time it was never fully a crore and a half for several years but only one crore, and he justified that reduction by saying that there was an improvement in the condition of the country and in the capacity of the people to resist famine.

However, in Lord Curzon's time the full crore and a half was restored.



This period of thirty years during which the famine grant has been devoted to the purposes mentioned may roughly be divided into two equal parts from 1881 to 1895-1896 and from 1895 up to the present time. The first period was practically free from famine. There were no doubt scarcities here and there and even small famines, but there was nothing serious, and I therefore omit the whole of that period as not being altogether too favourable for the purposes of my argument.

Taking the second period 1895—up to the present time—there were two of the greatest famines of the century which ravaged the greater part of the country, besides two or three smaller famines. Therefore it could not be said that this period was free from famine conditions, and yet what do we find? The unproductive debt of the country, which alone has to be taken into consideration in connection with this matter, was 70 millions at the beginning of this period. At the close of this period that debt was only 40 millions. Therefore this unproductive debt or ordinary debt, instead of being added to, was actually reduced from 70 millions. Out of this the portion of the famine Relief Grant devoted to reduction comes to  $4\frac{1}{2}$  millions or  $4\frac{1}{4}$  millions to 40 millions. The rest was due to the surpluses having been devoted to railway construction and through that to reduction of debt. My point therefore now is, if in the absence of this grant the unproductive debt had had to be added to, then this expenditure out of revenue in reducing the debt would have been justified and this sum would have been properly devoted according to the original intention to preventing additions to the debt of the country. But as the debt was largely reduced independently of the grant, I think it was unnecessary that this grant of  $4\frac{1}{2}$  millions should have been devoted further to the reduction of the debt. And I say this sum might have been spent usefully in other directions.

I want the Council to realise this; that there is a difference between what Lord George Hamilton's Committee laid down as the object of this grant in relation to the debt, and the present practice of Government. It is

true that Government devote this to the reduction of debt, but they devote it to the reduction of debt by increasing the amount available for productive purposes and principally railway construction. Therefore this sum taken out of revenue, which is intended to mitigate the rigours of famine and which is also intended to enable the Government to borrow in times of famine, is being ordinarily devoted to increase the resources of Government for capital outlay on railway construction. Now, Sir, I have been contending again and again in the Council that as our railways earn a very fair rate of interest and as the credit of Government is excellent, the Government should confine the outlay on railway construction only to such sums as can be raised in the market out of borrowings; and any sums available out of current revenues should be used for other more pressing objects. I would therefore suggest that this grant of half a million or under should no more be devoted to the reduction of debt, because the debt is already very small and I do not think its reduction is of paramount importance. On the other hand, if the same sum was made available for agricultural education, for the organization of rural credit and other measures connected with the material improvement of the peasantry, that would benefit the peasantry far more than the present practice of Government and would enable the peasantry to resist the onslaught of famine better than the course which the Government adopts. I am quite sure the Finance Member will tell us that I am attacking the principle of the Sinking Fund. No doubt I am. I go further and say that in the present state you do not want a Sinking Fund. India must deal with her own problems in her own way, and in India, as I said the other day, the unproductive debt is a mere bagatelle—only 40 millions. Where the unproductive debt is huge, as in England, a Sinking Fund is an absolute necessity; but where it is small and where we want money urgently for other purposes, I think the Sinking Fund is an absurdity. I therefore move that the grant of half a million for next year under Famine Relief and Insurance to reduction or avoidance of debt should now be abolished.

## RAILWAY FINANCE.

*[During the 2nd stage of the discussion of the Financial Statement for 1910-11 under Railways, Mr. Gokhale moved for a reduction of their working expenses by 1 crore of rupees, and made the following speech on the occasion :—]*

The Hon'ble Mr. Gokhale:—Sir, I beg to move that 'this Council recommends that the provision for the working expenses of State Railways for the next year should be reduced by one crore of rupees.' Sir, I wish it had been possible for me to act on the suggestion which was just now thrown out by the Hon'ble Sir T. R. Wynne, namely, that I should withdraw this resolution as I have done in the case of the two preceding ones. Unfortunately, I am unable to do so. Indeed, so far from withdrawing it, I fear I shall have to ask the Council to divide on it.

In moving this resolution, Sir, I beg leave to express, if I may presume to do so, my sympathy with the Railway Board for the fact that they seem to stand between two fires. Judging from the speech of the Hon'ble Member, I find that the railway administrations as represented by their Boards in London are complaining about the control exercised by the Railway Board. We, on the other hand, in this Council, some of us at any rate, are inclined to complain of the manner in which the working expenses have been allowed to go up. Of course I am a mere outsider and a layman. I cannot go into the technical portions of this railway administration; but I can look at railway finance in a general way; and looking at railway finance in a general way, I have come to certain conclusions which I would like to lay before this Council. There is no doubt that this railway finance has been responsible during the last three or four years for the deterioration in the country's financial position. We find that in the year 1906-1907 the net profit from rail-

ways which the country derived was about £2½ millions; in 1907-1908 it was about £1½ millions. In 1908-1909, instead of a net profit, there was actually a deficit of £1 millions; during the current year there was a gain of about £860,000; and during the next year probably under half a million is expected to be realized as profit. The position, therefore, in five years, has come down from £2½ millions to about half a million profits, and that naturally must set us thinking. I have looked into the figures somewhat closely on that account, and I find that there are certain things which require explanation. The first thing that strikes one looking into these figures is the extraordinary growth of working expenses during the last five years, *i.e.*, since the Railway Board came into existence. The Railway Board came into existence in 1905 and the working expenses have been going up steadily from that year. I have consulted the figures for 15 years from 1890 to 1905, *i.e.*, up to the date the Railway Board came into existence. The working expenses during that period were between 46 and 48 per cent. of the gross receipts uniformly. There was only one year in which the proportion was 49. Otherwise, throughout, the proportion was 46, 46½, 47 and up to 48. From the time that the Railway Board however came into existence—from its very first year—this proportion has been going up. After the proportion had been stationary for 15 years we find in 1906 the proportion rose to 50; from 47 or 47½ it went up to 50; in 1907-1908 it went up to 57·5; in 1908-1909 it went up to 62 per cent.—that was a year of deficit. In 1910, the current year, it is 55·3, and for the next year it is expected to be 56·6. Now, I cannot understand why if for 15 years they were satisfied with 47 or 48 per cent. of gross receipts for working expenses, suddenly there should have been this increase, and they should now ask for 7 or 8 to 12 per cent. more according as you take the year. This certainly requires an explanation. Of course I am quite sure that the money is being well spent, that the money is being spent on improvements, and the Hon'ble Member will no doubt justify this in the name of efficiency—we used to hear of it from various quarters during the last five or six years. There has been so much

more spent on the Army, also on Civil Departments, all in the name of efficiency. I quite admit that efficiency is desirable, but there must be a limit, even to efficiency. As Lord Salisbury once said: 'All efficiency must be relative,' that is, it must take into account not merely the requirements but also the resources of the people for whom you are going to secure that efficiency, and considering that India is a poor country, I think that the Railway Board might be satisfied with a lower standard of efficiency than what it is evidently aiming at. I think there should be a definite proportion beyond which they should not go in the matter of working expenses. If the railway administration of this country were satisfied with 47 to 48 per cent. for 15 years, I do not see why the Railway Board should not impose a similar limit upon itself. It may go a little higher if necessary, but I think beyond 50 per cent. the working expenses should not be allowed to go in any particular year. If anything like that were to be done from next year, as you estimate your revenue at 44 crores, your expenditure would be 22 crores or somewhere there, and you would have about 3 crores for the Finance Minister; and I am quite sure he would not have put upon us the extra taxation that he did the other day. Then there is another point to which I want to draw the attention of this Council, and that is this: that for the last four years the Board or those who are responsible—because I am afraid it is the railway administrations that are carrying out unauthorised works, who are really responsible—in any case we have to hold the Board responsible in this Council and the Board will hold the administrations responsible in its turn—but for the last four years we find that the budget is being systematically exceeded in the matter of working expenses. In the first year it was only a slight excess. In 1906-1907 it was only an excess of 10 lakhs; in 1907-1908 the excess was  $2\frac{1}{2}$  crores; in 1908-1909 it was  $2\frac{1}{2}$  crores over the budget allotment for working expenses. This year, owing to the great row that was made, there has been of course a great decrease in this excess, but still there is an excess of 11 lakhs. Now I think that this is a thing to which exception must be taken. I think it is most objectionable

that the budget allotment should be exceeded in this manner. I think in this matter I could not do better than quote the words which were employed last year by His Honour Sir Edward Baker in speaking of this question, namely, that the Railway Board had been exceeding its budget in the matter of working expenses. This is what His Honour said. Possibly he used sharp language because his own budget had been upset. I will read the language that he used :—

I am constrained to say that the explanation presented in the memorandum of the Railway Board seems singularly inadequate. Something is doubtless due to the cost of coal, though we are not told what it amounts to. Grain compensation is said to amount to 23½ lakhs or £ 157,000, *i.e.*, less than one-tenth of the total excess. Floods on the North-Western Railway are called into account for some unspecified part of the remainder; but I seem to remember hearing of similar floods for several years before on that line. A great deal is attributed to repairs and renewals and we are told that commitments have been entered into which could not be stopped. I will not stop to consider the question whether any railway administration is at liberty to enter into commitments of this kind which cannot be modified or contracted if the ensuing year is one of deficit. But I do affirm without hesitation that any administration which contemplates doing so is bound, by all the canons of finance and commonsense, to provide for the corresponding expenditure in its estimate, and in the present instance we have to face the plain fact that the working expenses, in spite of a heavy reduction in the traffic carried, have exceeded the estimates by not much less than a million and a half.

This is strong language, but it is not mine; it was used by one who had been Finance Minister for four years, and I am quite content to leave the question as it is there between Sir Edward Baker and the Hon'ble Sir T. Wynne.

I think that, just as there must be a certain definite proportion beyond which working expenses should not be allowed to go, so also it must be definitely and distinctly laid down that under no circumstances whatever should the budget allotment for working expenses be exceeded. I think that the Finance Department has a right to expect that, and that the Council, as interested in economy, has also a right to expect it.

Having made these two complaints, I would now like to make a suggestion, and that is that I think it would be very desirable if State railways were managed by the State instead of their being managed by Companies. I know this is a question about which there is a difference of opinion, but apart from other things—whether the thing would be immediately more costly or less costly, on that I have heard two opinions—there is one distinct advantage which I claim for this, and that is that in the end State management will be more economical. You compare the ordinary public works list—the personnel of the Public Works officers with the personnel of Railway officers. Throughout you will find a practical exclusion of Indians from the higher ranks of the railway service. Whereas in the Public Works Department a considerable proportion consists of Indians, in the Railway service it is only here and there that you find an Indian; for the most part Indians are carefully shut out. Now, if all these railways were managed by the Government, the Government would, in the first place, be more sympathetic with our aspirations than Boards sitting in London, and secondly, the Government would be more responsive to any pressure of opinion put upon it. The Boards being in London, we may say what we like, they go on doing what they please, and the agents here must obey their directors there. Therefore, as long as the management is in the hands of Companies, the exclusion of Indians from the higher ranks of the railway service must continue, whereas if the management were to pass over to the Government, there would be a more steady employment of Indians in the higher ranks of the service, and this in due course is bound to lead to greater economy in the management of railways. I move the resolution which stands in my name.

*[The Hon'ble Sir T. Wynne, Chairman of the Railway Board, having opposed Mr. Gokhale's motion, Mr. Gokhale made the following reply :—]*

The Hon'ble Mr. Gokhale said :—I would like, Sir, to make a brief reply to the observations that have fallen from the Hon'ble Sir T. Wynne. He pointed out that

in 1909 the net earning under Revenue, as it is called here, was 12·43 millions, which was virtually the same figure as what you have in the accounts of 1906-1907, namely, 12·52. Now that is quite true. But the Hon'ble Member should not have left out of consideration the fact that between those years a large amount had come to be spent as capital outlay on railways, and there must be interest on that capital expenditure. Therefore, the very least that the year 1909 should have shown to be regarded as equal to 1906 was to show the same net amount of revenue as 1906, plus the interest on the capital expenditure during the three years. Well, I find, looking at the amount of interest on debt, that in 1906 the interest on debt was 5 millions, whereas in 1909 the interest is 5·67; that is, two-thirds of a million roughly represents the interest on the additional amount that had come to be expended as railway capital. Now, if only these railways had earned this two-thirds of a million more, under the net earnings, instead of having only £ 760,000 as our profit last year, we should have had nearly a million and a half. Therefore, I do not think that point really helps the Railway Board very much. The Hon'ble Member also said, if you want improvement, you must pay for it. We no doubt want improvement, but not at this rapid pace. We shall be quite content with a slower pace of improvement provided it does not cost us so much. Of course, if double the revenue that the Hon'ble Member gets at present were placed at his disposal, I have no doubt he would employ it easily, and we should have a most perfect system of railways. The question is whether the country can afford it. The Hon'ble Member also said that, if this resolution were pressed, it would be necessary to reduce the operative part of the expenses, and that might mean the dismissal of a number of my countrymen. Well, I am not really frightened by that. I find on looking up the lists here, that most of the men in the higher branches at any rate are the Hon'ble Member's countrymen and not mine, and if he were only to dismiss my countrymen, well, he would not get much out of that. If he wants to make a substantial reduction, he will have to get rid of some of his own countrymen.



I will say only one thing more, and that is with regard to what the Hon'ble Malik Umar Hyat Khan said. The Hon'ble Member's faith in everything that the Government does is most touching: he stands by the Government even where the Hon'ble Sir Edward Baker criticises it. Nobody ever said that the grain in the Punjab should not be carried; the question is whether the expenditure which the Railway Board is incurring, whether all this increased expenditure, was required. I have already pointed out that, since the Railway Board came into existence the working expenses have steadily risen, and no reply has been given to that. Of course improvements, I understand, are required, but why should these improvements have suddenly become necessary on this scale during the last five years, when we had gone on without them for the last half century? I am sorry I must say that I am not convinced by what the Hon'ble Member has said, and I must therefore ask that this resolution be put to the vote.

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## THE COUNCIL REGULATIONS.

*[On 24th January 1911, the Hon'ble Mr. Malaviya moved a Resolution in the Imperial Legislative Council recommending the appointment of a Committee to consider and report what changes should be made in the Regulations so as to correct inequalities in the treatment of the various communities and to remove some of the restrictions placed in the choice of candidates for election and also to ensure the provision of a more effective non-official majority in the Provincial Councils. Mr. Gokhale, in appealing to the mover not to press his Resolution, spoke as follows :—]*

My Lord, I intervene in this debate with some reluctance because the discussion has taken a somewhat unfortunate turn and the subject is of such a character that no matter how carefully or guardedly one may express oneself one is apt to be misunderstood by somebody or other. At the same time, now that this discussion has been raised, I think it my duty to those whose views I share that I should state what my position in this matter is. My Lord, I am by birth a Hindu, but for many years it has been the earnest aspiration of my life to work for the advancement of this country only as an Indian; and it was in that spirit, two years ago, when this discussion had taken a somewhat acute form and the Muhammadan community were agitating for special electorates in connection with the new Reforms Scheme, that I supported their claim in this Council and thereby, if I may mention it, incurred to some extent the displeasure of my Hindu brethren throughout the country. The position at that time was this. Under the Indian Councils Act of 1892 there were only general electorates, and the actual working of that Act resulted in a great preponderance of Hindu members in Councils throughout the country. There was no question about this fact; and whatever might have been the explanation of this, this was a sore point with the Muhammadan community, and it was no use saying to

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them that in the interests of that nationality for which they were all striving they should accept such a position. We had to recognise the actual situation and therefore it was necessary to find a way out of the difficulty. What the Government used to do in those days was that, after the general election had taken place, such inequality as was noticed was redressed by means of Government nomination. Therefore, every time in all the provinces the Government used to appoint a certain number of Muhammadan members of the Council by nomination. Now it was justly objected to this arrangement by the Muhammadan community that it was unfair to them that they should come in only by nomination, and they urged that what they wanted was that instead of coming in by nomination they should come in by election, such election being confined to their community.

My Lord, this was on the whole a reasonable position, and I thought it my duty at that time to support the scheme in this Council. I think, at our present stage, special electorates cannot be avoided, and what I have said about the Muhammadans also applies to some extent to the landlord community. In no country throughout the world is it attempted to lay down that elections should be confined to those who represent education. Take England; for a long time property was the basis of all representation. Gradually the basis has been extended and you now have the democracy in its present form, and now we find the educational centres, forming, so to say, special constituencies. All property, in its largest sense, must certainly have a fair share of representation in this country. I do not think, therefore, that any useful purpose is served by objecting to the special representation that has been given either to the Muhammadans or to the landlord classes. Where, however, a legitimate question may be raised, is in regard to the proportion of representation that has been given to these classes, and I think on this point there is no doubt that the bulk of the community have serious reason for complaint. My Lord, the question having been raised, I think it my duty to state that under the existing arrangements the Muhammadan community is over-repre-

sented in all the Councils. I think many of our Muhammadan friends admit it themselves when the question is put before them in that way. But here it is well to remember that the fault in this matter is not that of the Government of India. I think the original scheme of the Government of India was an eminently fair scheme. Under that scheme Government proposed to give to the Muhammadans such representation partly by mixed electorates and partly by special electorates, that the total should be in accordance with their position in the country.

A great deal has been from time to time said about an expression which the late Viceroy used in his reply to the famous address from a Muhammadan deputation, four years ago, namely, that the political importance of the Muhammadan community must be adequately recognized. I think that all along that expression, so far at any rate as it was used by Lord Minto, has been to a great extent misunderstood. I do not think that the late Viceroy intended to convey that the Muhammadans were politically more important than the Hindus; what he wanted to convey was that the Muhammadans occupied a position of importance in the country. They were so numerous, they had such traditions, they represented such past culture, they had a stake in the country that it was not desirable to leave them without adequate representation. I do not think that, looked at in that way, any objection need be raised to the statement that the Muhammadan community was a politically important community in the country. They are a minority, but they are the most important minority in the country, and therefore it was necessary that representation should be conceded to them in accordance with their importance.

In recognizing this importance, however, there is no doubt that the Government have gone too far and that over-representation has been granted to the community; but the responsibility for that as I was pointing out is with the Secretary of State and not with the Government of India. The original scheme of the Government of India, as I have already said, was eminently fair. The Secretary of State, no doubt from the best of motives

sought to substitute in its place another scheme theoretically perfect but practically, I believe, rather difficult of application in this country; and when that scheme came to be hotly criticised in England, owing to the exigencies of debate in the House of Lords, he not merely threw it overboard, but he also threw over the Government of India's proposals and himself went much further than the Government of India had even intended. This is the whole position, and the question now is what can be done. You cannot take away from the Muhammadan community to-day what you gave them only yesterday, and I would say to my Hindu brethren, make the best of the situation in the larger interests of the country.

My Lord, so far then as the proportion of representation is concerned, I think that there is real ground for complaint, but the matter is not easy to deal with, at any rate, for some time. As regards the other points in this resolution, I think my Hon'ble friend Pandit Madan Mohan Malaviya stands on solid ground. There is no doubt that many of these differences in franchise and qualifications for candidates were perfectly unnecessary, and I am quite sure that when the Government come to revise these regulations they will have no difficulty in removing them if they want to do so. The same thing applies to an elected majority in the Provincial Councils. I think an elected majority in the Provincial Councils would be quite safe. If it is found safe in Bengal, where the relations between the Government and the people have not been quite cordial, there is no reason why it should not do equally well in other provinces. Such an elected majority will consist of composite elements. There will be the Chambers of Commerce men representing the European community, there will be the landholders, there will be the Muhammadan members, and there will be representatives of the general population, and therefore I do not think that there is any danger even from the official point of view in an elected majority in the Provincial Councils. Moreover, if the Government wanted to pass a law for any Province, and the Provincial Council made any difficulty about it, there is a reserve of power in this

‘Council where there is a standing official majority and where Government will always be able to pass any measure that they please. On these points, therefore, I think that there is a good deal to be said, and when the Government come to reconsider these regulations I hope that something will be done to meet them. My Lord, having said this, I would now make an appeal to my friend the Hon’ble Pandit Madan Mohan Malaviya: I earnestly hope that he will not press his resolution to a division. My Lord, after all, we have got to take a large view of this matter. What does it really matter how many Hindus and how many Muhammadans sit in this Council? The more important question is how many of us work and in what spirit we work here? The numbers would matter on some future occasion when probably questions will have to be carried here by the weight of numbers; to-day we certainly do not propose to carry our points by the weight of numbers. As a matter of fact, whether we are many or few, it is only to the moral influence that we exercise on the Government that we have to look at the present stage. Why, my Lord, even if I could defeat the Government to-day I would not do it. I would not do it for this reason; the prestige of the Government is an important asset at the present stage of the country and I would not lightly disturb it. Therefore the question about the numerical representation of Hindus and Muhammadans may be left over for some time. Other points are upon a footing on which I am quite sure that most Muhammadan members here will be willing to join hands with my Hon’ble friend.

My Lord, before concluding I must express my cordial concurrence with what has been said by my Hon’ble friend Mr. Madge. It is not my good fortune to be often in agreement with my friend, but I most heartily and cordially support what he has said about leaving these questions alone for some time. If a question like this may be raised here, then cow-killing, or the question about Hindu and Muhammadan riots and such others may be raised by somebody else in other places; and then that harmonious co-operation between the two communities which we hope to promote by this Council, and which we

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hope to see gradually extending all over the country, would most unfortunately be disturbed and the interests which my Hon'ble friend Pandit Madan Mohan Malaviya himself has so well at heart, would be seriously jeopardised. With these words I again earnestly appeal to my friend not to press this resolution.

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## INCREASE IN PUBLIC EXPENDITURE.

*[The Imperial Legislative Council met on the 28th of January 1911. His Excellency Lord Hardinge presided. Mr. Gokhale moved a resolution calling for an inquiry into the causes which had led to the great increase in the public expenditure, that had taken place during recent years. In moving this resolution, Mr. Gokhale made the following speech :—]*

The Hon'ble Mr. Gokhale:—My Lord, I rise to move that this Council recommends to the Governor-General-in-Council that the Government should order a public inquiry by a mixed body of officials and non-officials into the causes which have led to the great increase in public expenditure, both Civil and Military, that has taken place during recent years, so that means may be devised for the greater enforcement of economy, where necessary and practicable.

My Lord, the Budget Debate in this Council of last year, and more especially the language employed on the occasion by my Hon'ble friend the Finance Minister, had led me to hope that the Government would of their own accord direct such an inquiry, at any rate, into the civil expenditure of the country. That hope, however, has not been justified, and I therefore deem it my duty to submit this motion to the consideration of this Council. My Lord, the last twelve years have been in some respects a most extraordinary period in Indian finance. A variety of circumstances, to which I will presently refer, combined to place at the disposal of the Government of India, year after year, phenomenally large revenues—phenomenally large, I mean, judged by the standard of this country, and while advantage was taken of the prosperous condition of the Exchequer to grant a certain amount of relief to the taxpayers, the necessary consequences of an overflowing treasury in a



country like India inevitably followed, and the level of expenditure came to be pushed up in every direction in a manner perfectly unprecedented in the history of this country. How large and how unprecedented this growth of expenditure has been may be seen from the fact that two years ago, of a sudden and without any warning, we came to a year of a heavy deficit—the heaviest deficit that this country has known since the Mutiny. And last year, the Hon'ble Member, as if to emphasize the gravity of the situation, felt himself driven to impose additional taxation to the tune of about a million and a quarter in a perfectly normal year, free from famine, war, or any of those other disturbing circumstances which in our mind have been associated with increased taxation in the past. A development of the financial situation so extraordinary and so disquieting demands, in my humble opinion, a close scrutiny, and it is because I want the Government to undertake such an examination that I am raising this discussion in this Council to-day.

My Lord, for a proper appreciation of how enormous this growth of expenditure has been during recent years, it would be necessary to take a brief survey of Indian finance over a somewhat extended period; and I propose, if the Council will bear with me, to attempt such a survey as briefly as I can for a period of about 35 years beginning with the year 1875. I take 1875 as the starting point because, in many respects, that year was a typical year—being also a normal year—typical of the old *regime* associated with the names of Lord Lawrence, Lord Mayo and Lord Northbrook. I propose to begin with that year and survey the finance of the 33 years that follow, as briefly as I can. Before doing so, however, I think I must place before this Council one or two general views about the financial position of the country. Those who merely look at our Financial Statements are likely to carry away a somewhat misleading idea as to what our real revenue or our real expenditure is. The Statements give certain figures known as gross and certain other figures known as nett. But neither the gross figures nor the nett figures give, in my opinion, a correct idea

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of what I would call the real revenue and expenditure. To get at the figure of real revenue, it is necessary, in the first place, to exclude from the revenue, under the Principal Heads, Refunds and Drawbacks and Assignments and Compensations and also the cost of the production of Opium. Then we must take the Commercial Services nett; and to this we must add the receipts under the Civil and Military Departments. I think such a process alone would give us a correct idea of our real revenue. Now, applying this to the Budget figures of last year, and those are the latest that are available for us, what do we find? We find that our real revenue, as distinct from either gross or nett revenue as given in the Financial Statement, is about 53 millions, or 80 crores of rupees—being made up of about 49 millions under the Principal Heads, about 1 million nett from Railways and Irrigation, about 2 millions Civil Departmental receipts, and a little over 4 million Military Departmental receipts. Out of this revenue, about a million is devoted to meet the nett charge of interest on unproductive debt, and another million goes to meet the standing charge for Famine Relief and Insurance. If we leave these 2 millions out, 51 millions remain to be devoted to the Civil and Military administration of the country, of which a little over 30 millions is devoted to Civil expenditure and a little under 21 millions is spent on the Army. The Civil charges are made up to-day of about 6 millions for collection of Revenue, about 15 millions for the salaries and expenses of Civil Departments, about 5 millions for miscellaneous Civil Charges, and about  $4\frac{1}{2}$  millions for Civil Works. This then is the first fact about our financial position which I would like the Council to note. The second fact, which I would like to mention, is that this real revenue, excluding Opium receipts, which are uncertain and which moreover are threatened with extinction, is capable of growing at the rate of about  $1\frac{1}{2}$  per cent, per annum. The calculation, which shows this, is an elaborate one and I do not want to weary the Council with its details. I have tried to take as much care as I possibly could to make it accurate and I have discussed the method adopted with those who are qualified to express an opinion on these

matters. I think I may say that every care has been taken to eliminate figures which ought to be eliminated from such a calculation, and I feel that the result may be accepted as a fairly correct one. On the basis of this calculation, then, excluding Opium receipts, our revenue may be taken to be capable of growing, taking good and bad years alike, at an average rate of about  $1\frac{1}{2}$  per cent. a year. It therefore follows that any increase of expenditure for normal purposes, *i.e.*, exclusive of any special expenditure that may have to be incurred for special objects, must keep well within this average rate of  $1\frac{1}{2}$  per cent. per year. I trust the Council will keep these two facts in mind, and now follow me in reviewing the growth of expenditure during the 35 years, or rather 33 years, following 1875. I think it best to take 1908-09 as the last year of the period, first, because up to that year the growth of expenditure went on practically unchecked, and secondly, because complete figures are available to the general public only up to that year. This period of 33 years divides itself into four smaller periods of more or less equal duration—the first of 9 years from 1875 to 1884, the second of 10 years from 1884 to 1894, the third of 7 years from 1894 to 1901, and the fourth of 7 years from 1901-02 to 1908-09. Now, my Lord, for purposes of a fair comparison, it is necessary to reduce the figures for the years selected to what may be called a common denominator, all extraordinary items being eliminated from either side. Thus, if the rates of exchange for any two years which are compared, are different, due allowance must be made for that. If there has been either enhancement or remission of taxation in the interval, if new territory has been included or old territory excluded, if certain old heads of accounts have been left out or reclassified, allowance must be made for all these. I assure the Council that I have made such allowance to the best of my ability in the comparison which I am about to institute. Thus, in the first period, there was first increased taxation during Lord Lytton's time and then there was a remission of taxation during Lord Ripon's time, and I have made due allowance for both these circumstances. Then the rate of Exchange even in those days was not steady. It was about

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1s. 9·6*d.* to the rupee in 1875 and about 1s. 7·3*d.* in 1884, and allowance has been made for that. Well, having made these allowances, what do you find? We find putting aside all extraordinary expenditure due to famines and war, that during this period of 9 years, our total Civil and Military expenditure rose by about 6 per cent. which means an annual increase of about two-thirds per cent. per year, against an annual growth of revenue of about 1½ per cent. The rate of normal increase of revenue was thus considerably in excess of the rate of growth of expenditure, and it was this fact which enabled Lord Ripon's Administration to remit taxation. The total increase under Civil and Military during this period was about two-and-a-half crores a year. That is the first period.

The second period of 10 years is the most difficult period to deal with, because there is hardly anything in common between the first year and the last year. It was a period of great military activity in view of certain eventualities that were expected on the North-West Frontier, and it synchronized with a steady fall in Exchange and a steady diminution of Opium revenue. The result was that there were continuous additions to the taxation of the country. In considering the expenditure of this period, we have to make allowance for four disturbing factors. In the first place, an addition was made in 1885 of 30,000 troops—10,000 European and 20,000 Indians—to the Army. Secondly, in 1886, Upper Burma was annexed. Then Exchange fell continuously between 1885 and 1894 from 1s. 7·3*d.* to 1s. 1·1*d.* to the rupee, the latter being the lowest point Exchange ever reached. And lastly, Exchange Compensation Allowance was granted to all European officials towards the end of this period, costing over a crore-and-a-quarter of rupees or nearly a million sterling. All this necessitated continuous additions to the taxation of the country—during 8 out of the 10 years, something or other being put on. These four factors make it extremely difficult to compare the starting year with the closing year of this period, but a certain general view, roughly correct, may be presented. It will be found that during this

period the Civil and Military expenditure of this country rose by about 14 crores. Out of this 14 crores, however, about  $7\frac{3}{4}$  crores was specially provided for by extra taxation, so that the normal growth of charges during this period was about  $6\frac{1}{4}$  crores. On the other hand, the revenue during this time increased by about 12 crores, of which about 6 crores was from new taxes; and economies were effected to the extent of about 2 crores by suspending the Famine Insurance Grant and in other ways, and thus the two ends were made to meet. The result, during the second period, putting aside all special expenditure for which special taxation was imposed upon the country, was that we had a normal growth of administrative charges for the Army and the Civil administration of about  $6\frac{1}{4}$  crores. This works out at a total increase of about  $14\frac{1}{2}$  per cent. in 10 years, or an average increase of  $1\frac{1}{2}$  per cent. per annum, against a normal growth of revenue from the old resources of a little under  $1\frac{1}{2}$  per cent. a year.

I now come to the third period. In this period the disturbing elements were not so numerous, the only factor of that character being Exchange. At the beginning of the period, Exchange was as low as 1s. 1-*d.*, but rose steadily to 1s. 4*d.* in 1899, at which figure it stood practically steady for the three closing years of the period. And but for the fact that three of the biggest famines of the last century occurred during this period, as also for the fact that there was war on the frontier at the commencement, the finances of this period would have given a much more satisfactory account than they did. As things were, however, the Railway Revenue had already begun to expand. Opium too had begun to recover, and that extraordinary expansion of general revenues, which was witnessed from 1898 to 1908, had also commenced. The last three years of this period thus belong to a period of extraordinary expansion of revenue on all sides, and in addition to this, under Exchange alone, the Government saved in 1899 nearly 5 crores of rupees on the remittances to England, judged by the standard of 1894. These expanding resources naturally led to increased expenditure, and what stimulated the growth of charges even more than

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that was that we had during this period of three years of Lord Curzon's administration—the first three years of his administration. As a result of all this, expenditure grew at a greater pace towards the close of this period than during the previous period; but even so, we find that it was kept well under control. During these seven years, there was an increase of about 6 crores in the expenditure of the country, Civil and Military, which works out at about 11 per cent. or  $1\frac{1}{2}$  per cent. per annum—the Civil expenditure rising by about 14 per cent. in the 7 years or at the rate of 2 per cent. a year and the Army estimates rising by about  $6\frac{1}{2}$  per cent. or at a little under 1 per cent. per annum. For purposes of this comparison I have reduced the cost of Exchange for the first year to the level of what it would have been, if Exchange had then been 1s. 4d. instead of 1s. 11d. to the rupee.

Let us now turn to the last period. The period, like the third, was one of seven years, but it was a period of what was described in this Council last year as a period of 'Efficiency with a big E.' There was a hot pursuit of efficiency in every direction, leading to increased establishments, creation of new appointments, and increases in the scales of pay and promotion and pensions of the European services of the country. As a result what do we find? An increase of expenditure allround which is perfectly astonishing. The disturbing factors during this period were:—(1) the Accounts for Berar were included, (2) the bulk of the Local Funds Accounts were excluded, (3) there were remissions of taxation, and (4) the charges for Military-Marine were transferred from Civil works to Military. Making allowances for all these factors, we find that during these seven years, 1901-02 to 1907-08, the total normal growth of charges, Civil and Military, came to no less than 18 crores! This gives us an increase of about 33 per cent. in seven years, or about 5 per cent. per annum! On the other hand, the expansion of revenue, which in itself was most exceptional, was, making all necessary allowances, about 2 per cent. per annum. We thus come to this:—We had an increase of about  $2\frac{1}{2}$  crores during the first

nine years; we had about 6 crores during the next ten years; again about 6 crores during the next seven years; and we had an increase of not less than 18 crores during the last seven years! Taking the percentages, again, we find that the normal growth of charges per annum in the first period was about two-thirds per cent.; it ranged between  $1\frac{1}{4}$  and  $1\frac{1}{2}$  per cent. during the second and third periods; while it was nearly 5 per cent. during the last period! Taking Civil and Military separately, it was 40 per cent. for seven years or nearly 6 per cent. per annum for the Civil, and about 20 per cent., or an annual average growth of 3 per cent. for the Military!

My Lord, I think it should only be necessary to mention these figures to establish the importance and necessity of an inquiry into the growth of charges during recent years. It will probably be said that this extraordinary increase is accounted for to a great extent by increased expenditure in several useful directions. I admit at once that the Government have found additional money for several desirable objects during this period. But what is the amount so found? The total growth of Civil charges during this period was 13 crores. Out of these 13 crores, a sum of about 3 crores represents roughly the additional expenditure on Police, Education, and grants to Local Bodies. About a million has been added to the expenditure on the Police, with what results it is too early yet to say. I, for one, am not satisfied that the growth of expenditure in this direction has been all good, but I will take it for the moment that the increased expenditure will give us a more improved Police service. Next we find that under Education there has been an increase of about half a million or 75 lakhs, including the sums provided for Agricultural Education and Technical Education. Finally, a little over half a million—nearly two-thirds of a million—represents the grants made to Municipalities and Local Boards for Sanitation, Education and other purposes. Thus, roughly speaking, the additional expenditure on these objects come to a little over 3 crores or 2 millions sterling, leaving still an increase of about 10 crores to be explained.

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My Lord, I may mention, if the Council will permit me, that it is not only now that I am complaining of this extraordinary rise in charges. As far back as five years ago, when we were in the midst of this period and when charges were still going up by leaps and bounds in every direction, I ventured to make a complaint on this subject in the Council. If the Council will pardon me for quoting from myself, I would like to read a few lines from what I then said. Speaking in the Budget Debate of 1903-07, I ventured to observe:—

The surpluses of the last few years—rendered possible by the artificial enhancement of the value of the rupee, and realised, first by maintaining taxation at a higher level than was necessary in view of the appreciated rupee, and secondly, by a systematic under-estimating of revenue and over-estimating of expenditure—have produced their inevitable effect on the expenditure of the country. With such a plethora of money in the Exchequer of the State, the level of expenditure was bound to be pushed up in all directions. Economy came to be a despised word and increased establishments and revised scales of pay and pension for the European officials became the order of the day. Some remissions of taxation were no doubt tardily granted, but the evil of an uncontrolled growth of expenditure in all directions in the name of increased efficiency was not checked, and the legacy must now remain with us. The saddest part of the whole thing is that in spite of this superabundance of money in the Exchequer and the resultant growth of administrative expenditure, the most pressing needs of the country in regard to the moral and material advancement of the people have continued for the most part unattended to and no advantage of the financial position has been taken to inaugurate comprehensive schemes of State action for improving the condition of the masses. Such State action is, in my humble opinion, the first duty now resting on the Government of India, and it will need all the money—recurring and non-recurring—that the Hon'ble Member can find for it.

That this complaint was admitted in its substance to be just by the Government, or rather by the representative of the Government in the Finance Department, will be seen from certain very striking observations made the following year by His Honour Sir Edward Baker, who was then our Finance Minister. Speaking in the Budget Debate of 1907-08 about a proposal that there should be a further increase in the salaries of certain officers, he protested that he regarded that proposal 'with astonishment,



and something like dismay'; and then he proceeded to say:—

I have now been connected with the Finance Department of the Government of India for five years continuously, and during the whole of that period I do not believe that a single day has passed on which I have not been called upon officially to assent to an increase of pay of some appointment or group of appointments, to the reorganisation of some Department, or to an augmentation of their numbers. All experience proves that wherever revision is needed, either of strength or emoluments, the Local Governments and the Heads of Departments are only too ready in bringing it forward. Nor are the members of the various Services at all backward in urging their own claims. I cannot in the least recognise the necessity for imparting an additional stimulus to this process.

It will thus be seen that there has been a great deal of expenditure incurred during the last few years of a permanent character, which was rendered possible only by the fact that Government had large surpluses at its disposal. In view of this, and in view of the great deterioration that has since taken place in the financial position, I think it is incumbent now on the Government to review the whole situation once again. My Lord, this was the course which Lord Dufferin adopted in his time, though the growth of charges then was nothing like what it has been during the last decade. When Lord Dufferin became Viceroy, he decided to increase the Army in this country and for that purpose wanted more money. And so he appointed a Finance Committee to inquire into the growth of expenditure that had taken place just before his time, so as to find out what saving could be effected. The Resolution, appointing that Committee, is a document worth the perusal of the present Government of India. It speaks of the growth of Civil expenditure that had taken place during the preceding five years as 'very large,' though, as I have already pointed out, the increase was only at an average rate of about  $\frac{2}{3}$  per cent. per annum between 1875 and 1884, or taking the charges for Collection of Revenue and the Salaries and Expenses of Civil Departments only, it was about  $1\frac{1}{2}$  per cent.—the increase under two heads being higher than under other heads. If that rate of increase was, in Lord Dufferin's opinion, 'too large,' I wonder what expression he would have used

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to describe the pace at which expenditure has grown during the last decade!

My Lord, I now come to the form of the enquiry which I propose. I propose, in the first place, that the enquiry should be a public enquiry, and I propose, secondly, that it should be by a mixed body of officials and non-officials. As I have already observed, the language employed by the Hon'ble the Finance Member last year in this connection had led me to hope that Government would of their own accord order such an inquiry into the matter. In Simla last August, however, when I asked the Hon'ble Member a question in Council, he said that what he had meant was a Departmental inquiry only. Now, my Lord, the position is so serious that a mere Departmental inquiry will not do. In support of this view, I may quote my Hon'ble friend himself. He said last year that the question of economy did not rest with his Department alone; it rested with the Government of India as a whole. He also said that if economy was to be enforced, public opinion, both in this country and in England, would have to enlist itself on the side of economy. Now the only way to enlist public opinion on that side is by holding a public enquiry into the growth of charges, as was done by Lord Dufferin, so that the people might know how the charges have been growing and where we now stand. My Lord, I do not want a mere Departmental inquiry at the headquarters of Government. An inquiry at Simla or Calcutta will only be a statistical inquiry. What we want is a Committee, somewhat on the lines of Lord Dufferin's Committee, with one or two non-officials added, going round the country, taking evidence, finding out from the Heads of Departments what possible establishments could be curtailed, and making recommendations with that care and weight and deliberation, generally associated with public inquiries. I urge such an inquiry, because, governed as India at present is, public inquiries from time to time into the growth of expenditure are the only possible safeguard for ensuring an economical administration of our finances. Under the East India Company, the situation was in some respects stronger in such matters. The

Imperial Government, which now finds it easy to throw on India charges which should not be thrown on India, was in those days resisted by the Company, whenever it sought to impose such charges. On the other hand, Parliament exercised a jealous watchfulness in regard to the affairs of the Company, and every 20 years there used to be a periodical inquiry, with the result that everything was carefully overhauled; and that tended largely to keep things under control. With the transfer of the Government of this country from the Company to the Crown, things have been greatly changed. All power is now lodged in the hands of the Secretary of State, who, as a Member of the Cabinet, has a standing majority behind him in the House of Commons. This means that the control of Parliament over Indian expenditure, though it exists in theory, is in practice purely nominal. In these circumstances, the importance and the value of periodical public inquiries into our financial administration should be obvious to all. There have been three such inquiries since the transfer of the Government from the Company to the Crown. The first was by a Parliamentary Committee in the seventies. The Committee which sat for nearly four years, took most valuable evidence. Unfortunately Parliament broke up in 1874, before the Committee had finished its labours, and the Committee dissolved with the dissolution of Parliament. The second inquiry was by the Committee appointed by Lord Dufferin in 1886-87, and ten years after, in 1897, a third inquiry was ordered, this time by a Royal Commission presided over by Lord Welby. Fourteen years have elapsed since then, and I think it is due to the country that another Committee or Commission of Inquiry should now be appointed to inquire in a public manner into the growth of charges and find out what economies and reductions are possible and how the level of ordinary expenditure may be kept down. And this inquiry must not be in London or at Simla or Calcutta. It must be by a body which will go round the country and take evidence.

My Lord, I will now state what, in my opinion, are the remedies which the situation requires. My proposals are four in number, and they are these:—In the first

place, what Mr. Gladstone used to call the spirit of expenditure, which has been abroad in this country for a great many years, and especially, during the seven years between 1901-02 to 1908-09, should now be chained and controlled, and, in its place, the spirit of economy should be installed. If the Government would issue orders to all Departments, as Lord Dufferin did, to enforce rigorous economy in every direction and to keep down the level of expenditure, especially avoidable expenditure, I think a good deal might be done. Lord Dufferin's Government wanted money for military preparations. I earnestly hope that Your Lordship's Government will want to find money for extending education in all directions. In any case, the need for strict economy is there, and I trust that Government will issue instructions to all their Departments to keep down administrative charges as far as possible. That is my first suggestion. In this connection I may add this. Care must now be taken never again to allow the normal rate of growth of expenditure to go beyond the normal rate of growth of revenue. Indeed, it must be kept well within the limits of the latter, if we are not to disregard the ordinary requirements of solvent finance. If special expenditure is wanted for purposes, as may happen in the case of an invasion or similar trouble, special taxation must be imposed, and we shall be prepared to face the situation and support the Government in doing so. But in ordinary circumstances, the normal rate of growth of expenditure must not exceed and should be well within the normal rate of growth of revenue.

My second suggestion is that the Military expenditure should now be substantially reduced. My Lord, this is a somewhat difficult question, and I trust the Council will bear with me while I place a few facts on this subject before it. Our Military expenditure, which, till 1885, was at a level of about 16 crores a year, now stands at well over 31 crores. The strength of the Army was first determined by a Commission which was appointed after the Mutiny, in 1859, and that strength—roughly sixty thousand Europeans and one hundred and twenty thousand Indians—continued to be the strength of the

Army till 1885. On many occasions during that interval those who were responsible for the Military Administration of the country pressed for an increase in the number of troops, but without success. In 1885, 30,000 troops—ten thousand European and twenty thousand Indian—were added. The number has been slightly increased since, and we have at present about 75,000 European troops and double that number of Indian troops. Now, my Lord, my first contention is that the country cannot afford such a large army, and in view of the great improvement, which has taken place in mid-Asian politics, it should now be substantially reduced. Not only responsible critics of Government but many of those who have taken part in the Administration of India and who are or were in a position to express an authoritative opinion on the subject have publicly stated that the strength of the Indian Army is in excess of strictly Indian requirements. Thus General Brackenbury, who was a Military Member of this Council at one time, stated in 1897, in his evidence before the Royal Commission on Indian Expenditure, that the strength of the Indian army was in excess of Indian requirements, and that part of it was intended to be a reserve for the whole Empire in the East. I may also point out that the Army Commission of 1879, of which Lord Roberts was a member, held that the then strength of the Indian army—60,000 English troops and 120,000 Indian troops—was sufficient for all requirements—sufficient to resist Russian aggression, not only if Russia acted alone, but even with Afghanistan as her ally. Then, my Lord, when the South African war broke out, a substantial number of troops was sent out of this country for service in South Africa, at a time when the situation should have been regarded as anxious for India. A part was also sent to China about the same time, and yet things went on here as well as ever. All these things show that the strength of the Indian army, as it exists to-day, is really in excess of Indian requirements. It may be said that this is a matter of military efficiency, on which non-official members are not qualified to express an opinion. If I were venturing an opinion on the technical details of Military Administration, I should blame myself for my presumption; but this

is a matter of policy, which, I venture to think, all laymen—even Indian laymen—are qualified to understand, and on which they are perfectly entitled to express an opinion. Any one can see that the situation in mid-Asia and on the Frontiers of India has undergone a profound change. And, in view of this change, I think it is due to the people of this country, who have borne this enormous military burden for a number of years, that some relief should now be granted to them, and thereby funds set free to be devoted to more useful and more pressing objects. My Lord, military efficiency, as Lord Salisbury once pointed out, must always be relative. It must depend not only on what the Military authorities think to be necessary, but on a combined consideration of the needs of defence and the resources which the country can afford for the purposes of such defence. Judged by this standard, I think that our Military expenditure is unduly high; and I therefore respectfully urge that a part of this expenditure should now be reduced by reducing the troops to the number at which they stood in 1885.

My Lord, my third suggestion is that there should now be a more extended employment of the indigenous Indian agency in the public service. In this connection I am free to recognise the necessity of paying as a rule the Indian at a lower rate of payment than the Englishman who holds the same office. I think this is part of our case. If we insist on Indians being paid at the same rate as Englishmen we cut away a large part of the ground from under our feet. Except in regard to those offices, with which a special dignity is associated, such, for instance, as Memberships of Executive Councils, High Court Judgeships and so forth, where of course there must be strict quality, even as regards pay, between the Indian and the Englishman, there must, I think, be differential rates of payment for the Indian and European members of the Public Service. What is however necessary is that care must be taken not to make such distinctions galling. Instead of the present division into Provincial and Imperial services, or instead of laying down that Indian should be given two-thirds of what the Englishman gets, I would provide a fixed salary for each

office, and I would further provide that if the holder of the office happens to be an Englishman, an extra allowance should be paid to him, because he has to send his wife and children to England, and he has often to go there himself. These have to be recognised as the exigencies of the present situation and they must be faced in the proper spirit. I should, therefore, have a fixed salary for each office; and I would then throw it equally open to all, who possess the necessary qualifications, subject to the condition already mentioned, that an English holder of it should get an extra allowance for meeting extra expenses. Then, when you have to make an appointment, you will have this before you. An Indian—pay, say, Rs. 500 a month—an Englishman pay Rs. 500 *plus* an allowance, say of Rs. 166. If you then are really anxious for economy, you will have to take the Indian, other things being equal.

My fourth and last suggestion is this—that provision should now be made for an independent Audit in this country. My Lord, this is a matter of very great importance and it has a history of its own. In the eighties there was some very earnest discussion on this subject between the Government of India and the Secretary of State. The first proposal on the subject, curiously enough, went from the Government of India themselves; that was when Lord Cromer—Sir E. Baring, as he then was—was Finance Minister of India, and Lord Ripon, Viceroy. In a despatch, addressed by the Government of India to the Secretary of State in 1882, the Government urged that a system of independent Audit should be introduced into India. The whole of that despatch is well worth a careful study. After a brief review of the systems of Audit in different European countries, which the Government of India specially examined, they state in clear terms that they have come to the conclusion that the system of Audit in this country by officers who are subordinate to the Government is not satisfactory and must be altered. And they insist on two things:—First, that the officer, who was then known as Comptroller General, or as he is now called, Comptroller and Auditor-General, should be entirely independent of the Government of India, that he should look

forward to no promotion at the hands of the Government of India, and that he should be removable only with the sanction of the Secretary of State in Council, and secondly, that his position, as regards salary, should be as high as that of the Financial Secretary, and that he should reach that position automatically by annual increments after twenty years' service. The Secretary of State of that time, however, under the advice of his Council which, as a rule, is averse to change or reform, declined to sanction the proposal. He considered that it was not suited to India, that it was not really necessary, and that it would cost a good deal! Curiously enough, however, five or six years afterwards, the same proposal was revived by the Secretary of State for India himself. Lord Cross was then Secretary of State and the despatch in which he reopens and discusses this question is also worth a careful perusal. Like the Government of India of 1882, he too dwells on the unsatisfactory character of the Indian Audit, especially owing to the fact of the Head of the Audit Department being a subordinate of the Government of India, and points out how necessary it is that this officer should be independent of the Indian Government. The proposal was, however, this time resisted by the Government of India, Lord Lansdowne being then Viceroy, and it again fell through. Now, my Lord, I respectfully urge that the question should be taken up once again and the Auditor-General made absolutely independent of the Government of India. In England, the Auditor-General submits an annual report on all irregularities, which have come under his notice, to the House of Commons, and the House refers it to a Committee, known as the Committee of Public Accounts, which then subjects the officials concerned to a searching and rigorous examination. As our Council does not yet vote supplies, it will, I recognize, be necessary in the present circumstances that our Auditor-General's Report should be submitted to the Secretary of State for India, who is the final authority in financial matters. But the Report should be made public, being laid before Parliament every year and being also published in India. Then our criticism of the financial administration will be really well-informed and effective. At present



non-official members can offer only general remarks for the simple reason that they are not in a position to know anything about the details of financial administration. This will be altered, if they obtain the assistance of an annual report from an independent Auditor-General.

My Lord, I have done. I want this inquiry to be undertaken for four reasons. In the first place, this phenomenal increase in expenditure demands an investigation on its own account. Economy is necessary in every country, but more than anywhere else is it necessary in India. Certain observations, which were made by Lord Mayo 40 years ago on this point, may well be recalled even at this distance of time. In speaking of the Army expenditure, he said in effect that even a single shilling taken from the people of India and spent unnecessarily on the Army was a crime against the people, who needed it for their moral and material development. Secondly, my Lord, expenditure must be strictly and rigorously kept down now, because we are at a serious juncture in the history of our finance. Our Opium revenue is threatened with extinction. Thirdly, I think we are on the eve of a large measure of financial decentralisation to Provincial Governments, and it seems certain that those Governments will be given larger powers over their own finances. If, however, this is to be done, there must first of all be a careful inquiry into the present level of their expenditure. That level must be reduced to what is fair and reasonable before they are started on their new career. Last, but not least, we are now entertaining the hope that we are now on the eve of a great expansion of educational effort—primary, technical and agricultural, in fact, in all directions. My Lord, I am expressing only the feeling of my countrymen throughout India when I say that we are earnestly looking forward to the next five years as a period of striking educational advance for this country. Now, if this advance is to be effected, very large funds will be required, and it is necessary that the Government of India should, first of all, examine their own position and find out what proportion of their present revenues can be spared for the purpose. My Lord, these objects—

education, sanitation, relief of agricultural indebtedness—are of such paramount importance to the country that I, for one, shall not shrink from advocating additional taxation to meet their demands, if that is found to be necessary. But before such additional taxation can be proposed by Government, or can be supported by non-official members, it is necessary to find out what margin can be provided out of existing resources. This is a duty which the Government owes to the country; and the representatives of the taxpayers in this Council owe it to those, in whose behalf they are here, to urge this upon the Government. It is on this account that I have raised this question before the Council to-day, and I earnestly trust the Government will consider my proposals in the spirit in which they have been brought forward. My Lord, I move the Resolution which stands in my name.

*[By way of reply to the criticisms offered, in the course of the discussion on the above resolution, Mr. Gokhale spoke as follows:—]*

The Hon'ble Mr. Gokhale:—My Lord, I must crave Your Lordship's indulgence a second time, because I think I ought to reply to some of the criticisms, which have been offered, before this discussion is brought to a close.

I must begin with my Hon'ble friend Mr. Meston, whose remarks I am almost sorry to criticise in view of the extremely generous reference that he has been so kind as to make to myself. But, my Lord, I must say at once that I am not convinced by what the Hon'ble Member has said, and I am not quite sure how far the Hon'ble Member himself is convinced. I have a shrewd suspicion, my Lord, that if I could have access to some of the notes which my Hon'ble friend, as Financial Secretary, must have been writing from time to time during the last few years, I think I could make a much stronger case in favour of this Resolution than I have been able to do to-day. My Hon'ble friend began by saying that, if expenditure in this country has doubled itself in 35 years, the same thing has happened in other countries. I had

almost anticipated this argument, and I therefore carefully avoided comparing the expenditure of this time with the expenditure of 35 years ago. What I did was that I divided the period into four smaller periods and took each time one of these, so that the years compared should not be separated by too long an interval. In the first place, therefore, my Hon'ble friend must treat the expenditure of other countries in the same way before the analogy can apply. Moreover, let him not forget that this analogy from foreign countries can cut both ways. I am quite willing that this country should provide for a standard of expenditure, such as obtains in other countries, if the Government of India will accept for itself all the responsibilities and all standards of administration that the Governments of other countries have accepted. Let the Government, for instance, to mention only one instance, give us free, universal primary education in this country, and then it will be time for us to consider how our expenditure compares with that of other countries. My Hon'ble friend prefers to take the year 1898, as the starting year for his comparison, to the year 1901-02. I too had thought at one time of taking 1898-99, for the simple reason that that was the commencement of Lord Curzon's administration; but I found afterwards that the year was unsuitable, though it would really have been more favourable for my purpose. I wanted scrupulously to avoid anything that was unfair, and I saw that that year would not do, because it was midway between two great famines, the famine of 1897-98 and the famine of 1899-1900, and the revenue in that year therefore was larger on account of the arrears that were collected from the previous famine. Moreover, as both 1899-1900 and 1900-01 were years of extensive famines, the level of expenditure had no opportunity during those years to rise as it would otherwise have done. As regards my friend's explanation of the increase, the amount of which he admits, I really do not know how to describe it. The explanation comes to this:—I had said that there had been an increase of 9 millions; 'Yes,' says the Hon'ble Member, 'there has been that increase; but it is made up of so much more spent under this head, so much under

that head, and so on, the total coming to 9 millions' ! Now, this would have been a good answer, if I had said that I did not know how or where to find the items, of which these 9 millions were made up. If, for instance, I had said that somebody had walked away with our 9 millions a year, this explanation would have been perfectly sound. Surely the details, which he has given, could have been put together by any one of us from the financial returns of the Government ; or if I had experienced any difficulty in that, I could have drawn on the ample courtesy of my Hon'ble friend, on which, as a matter of fact, he has permitted me to draw so liberally during the last few days. To the real question which I have raised, the Hon'ble Member has attempted practically no answer. I will refer only to two items to illustrate the way in which he has been compelled to argue in this matter. The Hon'ble Member says that establishments have been largely increased during the last few years ; now that is exactly my complaint. What the Hon'ble Member should have told the Council is—should they have been so increased ? He has, however, nothing to say on that point. Again, take the increase under Stationery. The Hon'ble Member's explanation is—' I suppose we have been writing much more than we used to do.' Now, in the first place, I am not so sure about that. If the officials have been really writing much more than they used to do, then they have been disobeying the orders of the Government of India ; for one of the orders issued by Lord Curzon during his time was that official writing should be curtailed ; and he even took great credit to himself on a subsequent occasion for having reduced the voluminous mass of official writing. But apart from that, last year, when I raised this very question of increased expenditure on Stationery, my Hon'ble friend Mr. Robertson, who was then in charge of the Department of Commerce and Industry, admitted that there had been a great increase during the last twelve years, the increase amounting to no less than 60 per cent. in 12 years ! And he assured the Council that his Department had been making inquiries and he hoped to make substantial reductions. Not a word of this, however, have we heard from Mr. Meston to-day. The last

point which I would like to notice in the Hon'ble Member's remarks is about remission of taxation. My Hon'ble friend says that while expenditure has increased a good deal during the last 8 or 9 years, there has also been a remission of taxation of about four millions. Now, my Lord, no one denies this, and I admitted it myself in my first speech. But when the fact is used to convey the idea that the taxpayers have no ground to complain of the increased expenditure, the statement is not quite fair. There has undoubtedly been this remission of taxation, but I want the Council to remember that it was no more than was in common fairness due to the people of this country on account of the savings that the Government effected in the charges on their Home remittances. During the previous ten years, there had been successive additions to the taxation of the country, amounting to about  $4\frac{1}{2}$  millions, owing mainly to the continuous fall in exchange. When, therefore, exchange again rose to and steadied itself at 1s. 4d., the Government were bound to return to the people the  $3\frac{1}{2}$  millions, saved on their remittance charges, and this was practically all that the Government did by their remission of taxation, on which the Hon'ble Member has laid so much stress.

I will next turn to the speech of the Hon'ble Mr. Brunyate. I really have no quarrel with the Hon'ble Member's statement of the case, as he has placed it before the Council. His argument briefly amounts to this. The country is getting good value for its money. Now I do not dispute that. I feel I am not qualified myself to express an opinion on that subject. Moreover, I recognise that for seven years we had one of the greatest soldiers of our time at the head of the Indian Army and he was specially well-known for his economical administration. It is true that there are those who do not quite accept this view; but that is a matter which must be left to military experts. My question was solely about policy. After the profound change that has taken place in Central Asian and Frontier affairs, is it fair, is it just to the people of the country that the military expenditure should still continue on the same high scale on which it has been incurred all

these years? For thirty years and more, our military expenditure has been dominated by the fear that Russia was drawing nearer and nearer to this country. My Hon'ble friend, Mr. Haque, has referred to the Anglo-Russian Convention in the framing of which, as he has reminded the Council, Your Excellency had such a great part. If the Anglo-Russian Convention is a reality, I think we are entitled to the benefit of it, and the only way in which this benefit can be brought home to us is by relieving us of a part of the burden that we have borne for so many years, in order that funds may be set free to spend on primary and technical education and such other objects. In this connection I would like to quote certain observations of Lord Mayo, made 40 years ago. In a celebrated minute, which has been published, Lord Mayo wrote as follows :—

Though the financial necessities of the hour have brought more prominently to our view the enormous cost of our Army (103 crores) as compared with the available resources of the country, I cannot, describe fiscal difficulty as the main reason for the course we have taken. I consider that, if our condition in this respect was most prosperous, we should still not be justified in spending *one shilling more* on our Army than can be shown to be absolutely and imperatively necessary. There are considerations of a far higher nature involved in this matter that the annual exigencies of finance or the interests of those who are employed in the military service of the Crown. Every shilling that is taken for unnecessary military expenditure is so much withdrawn from those vast sums which it is our duty to spend for the moral and material improvement of the people.

My Lord, this is as true to-day as it was 40 years ago, and I earnestly trust that something will be done to reduce our present overgrown military expenditure.

I will now say a word in regard to the speech made by the Hon'ble Mr. Madge. I am glad to have his support, even though he offers it in his own way. But one or two things in what he said I must notice. He seemed to imagine that I had given up my criticism of Railway expenditure of last year. Nothing of the kind. I did not bring it up again to-day, because I took the Commercial Services net for purposes of my comparison. My objection last year was not to the construction of railways out of capital, but to the percentage of working charges going up by leaps and

bounds without any satisfactory reason. Last year, my Hon'ble friend, Sir T. Wynne, gave the Council a somewhat lengthy explanation; but I am not sure that it satisfied the Council. I understand, however, that the working expenses are being kept down this year. I sincerely hope that this is true. In any case we shall know it soon, when the Financial Statement is presented. Mr. Madge has told the Council that, in his opinion, not a single European soldier in this country can be reduced. This emphatic observation was preceded by the statement that laymen ought not to be dogmatical in these matters. If only the Hon'ble Member had remembered his own counsel, we should have been spared a proposition so extreme as that which came from him. My friend spoke of the recent riots and of troops being requisitioned for service on the occasion. My Lord, it is difficult to take an argument like that seriously. If unfortunately, there was real internal trouble in the country on a large scale, would an Army of sixty to seventy thousand troops suffice to quell it? The Army from that point of view, is either too small or too large. The policy of the Government is to govern the country with the confidence and the attachment of the people. In that view of things, I think it is most unfair that these occasional riots should be brought forward as an argument for maintaining the Army on its present scale. Lastly, the Hon'ble Member has expressed the view that the system of independent audit that I proposed was unnecessary. Well, in this he and I differ which is a small matter. But he should realize that he also differs from some of the greatest statesmen of England, Germany, France and Austria. If he likes that singular distinction, I have no quarrel with him.

My Lord, I now come to the extraordinary speech of the Hon'ble Mr. Gates. For easy confidence that everything is for the best in this best of lands and for the polite suggestion that those who demand an inquiry into how Government spend the money, raised from the taxpayers, are guilty more or less of something approaching presumption, I think that speech would be hard to beat. However, the Hon'ble Member himself has supplied to the

Council a part of the explanation of that speech. He has told us that he comes from Burma! But, my Lord, whatever may be thought of the rest of his speech, I do not think there was any excuse for the Hon'ble Member misunderstanding me on one point. I never asked for a Commission like the Welby Commission. It is true that I mentioned it along with other bodies that have inquired into the administration of Indian finances from time to time, but I distinctly stated that I wanted an inquiry, not by a body sitting at Simla or Calcutta, or in London, but by a Committee that could go round the country, like the Finance Committee of Lord Dufferin. And Lord Dufferin's Committee was the one Committee which really did achieve solid results. That Committee went all over the country, took valuable evidence and submitted within three years its recommendations, calculated to effect a saving of about 60 lakhs, and most of the recommendations were carried out. It is a Committee of that kind, with one or two non-officials put on it, that I want. My Lord, it is quite true that if the Government do not want to enforce economies, the Committee will not achieve anything. Lord Curzon once said in this Council: 'There are inquiries and inquiries; there are inquiries to shelve and inquiries to solve.' If the Government wish to shelve this problem, they will deal with it in one way. If, however, they want to find a solution for it, they will deal with it in another way. What the Committee does or does not do, will depend upon the keenness or otherwise of the Government in the matter. Then the Hon'ble Member asked why it was necessary to refer the question of an independent audit to a Committee of Inquiry. My Lord, I never suggested that it should be so referred. I merely mentioned it as one of the remedies that the situation required. If the Government will themselves examine the proposal and adopt it, so much the better; if the Government do not want to do this, they may refer it to the proposed Committee. Of course it is open to me, as the Hon'ble Member says, to bring this matter before the Council in the shape of a Resolution. And I certainly will do it, if it becomes necessary. But as to when I should do it, of that I must be the judge. Then



the Hon'ble Member said I had adopted an unconstitutional course in bringing this Resolution forward. My Lord, the Hon'ble Member is Financial Commissioner of his Province. I do not know what his views are of the financial relations between the Government of India and the Provincial Governments. But I think he should know that it is only in this Council that discussions of this kind can be initiated. Any matter which refers to all Provinces in common, any matter which involves considerations of policy, with which the Government of India alone can deal, can be raised only in this Council and nowhere else. Comparatively small matters, relating to particular Provinces, may be raised in the Councils of those Provinces. I will not ask if they do even that in the Burma Council. But does the Hon'ble Member imagine that questions like economy in military expenditure, questions even like civil expenditure, involving large policies, such as the wider employment of Indians, can be raised in Local Councils? These questions must be raised here, if they are to be raised anywhere at all in India. One more observation, my Lord, on Mr. Gates' speech, and I will have done with it. The Hon'ble Member spoke of the bloated budget of Bombay, and he suggested that we should look for economies there and not trouble other Provinces. My Lord, if the budget of Bombay is a bloated budget, in any case we pay every penny of it ourselves. We have not lived on other Provinces or on the Government of India for nearly 20 years as Upper Burma has done. When Upper Burma refunds to the Government of India all that it has drawn from other Provinces, it will be time for it to speak of the bloated budgets of other Provinces.

My Lord, I now come to the last speech, which of course was not the least—that of the Hon'ble Sir Guy Fleetwood Wilson. I am grateful to my Hon'ble friend for the courtesy of his remarks and on the whole for the very friendly tone of his speech. If it had been only the courteous and friendly tone, my satisfaction would not have been so real. When the Hon'ble Member adopts a specially friendly attitude or a specially conciliatory tone, I don't mind confessing that I grow somewhat suspicious. That

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was my experience last year ; while he was giving us verbal sympathy without stint, he was putting on the country tax after tax. However, in consideration of the definite assurance he has given to-day and in deference to what has fallen from him towards the close of his speech, I am quite willing to withdraw this Resolution for this year. I withdraw it for this one year only, because by this time next year we shall be in a position to see how far the Hon'ble Member has been able to carry out what he has practically undertaken to do. And I do this all the more readily because the Hon'ble Member has laid stress on one circumstance, to which it is necessary to attach special weight, and that is the fact that Your Excellency has just assumed the reins of office, and that it is only fair that you should have time to look into this question for yourself. The Hon'ble Member has drawn the attention of the Council to the fact that Your Excellency, if I may repeat what he said without impertinence, has a great reputation for economic administration, and the Council may well leave this matter in Your Excellency's hands for the present. On one point, however, I must express my dissent from the Hon'ble Member. I do not agree with him as regards the undesirability of the machinery which I have suggested—the machinery of a public inquiry. I think public inquiries from time to time serve a special purpose of their own. Apart from the economies, that may actually be effected as a result of such inquiries, every department is put on its defence, and that in itself is something to achieve. The fact that there is going to be an enquiry, so to say, shakes every department and makes it put its house in order, and that, to my mind, is no small advantage in such matters.

As regards audit, my Hon'ble friend's remarks were highly encouraging. I hope that he means even more than he says, and that it is his official position and his responsibility that have made him use that cautious language. One observation of the Hon'ble Member in this connection, however, calls for a brief comment. I think I caught a suggestion of the argument in his speech that there is a good deal of difference between the condition of

India and the condition of Western countries, and that, therefore, what has answered very well there may not answer equally well here. I quite admit that; at the same time it should not be forgotten that this view, that an independent audit would do good to India was the view taken successively by the Government of India and by the Secretary of State. The Welby Commission went into this question carefully. It was not able to make a unanimous recommendation, because the Commission was equally divided on the point. One section, headed by Lord Welby, strongly supported an independent audit. The other section, however, opposed it, and, among other arguments, urged that the creation of an audit officer, independent of the Government of India, would lower the prestige of the Government in the eyes of the people of this country. This, however, is an argument which I think is not worth considering. The man in the street does not understand what an audit officer is for and what are his relations with the Government of India. And those Indians who understand these things also understand why an independent officer is not created, if one is not created. Therefore the non-creation of this officer does not mean any special prestige for the Government, neither can his creation involve any loss of prestige.

My Lord, with these observations, and thanking the Hon'ble Member once again for his very friendly reply, I ask for leave to withdraw my Resolution.

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## INDIAN TARIFF (AMENDMENT) BILL.

*[The Council met on the 7th of March 1911. The Hon'ble Sir Guy Flectwood Wilson moved that the Bill further to amend the Indian Tariff Act, 1894, be taken into consideration. The Hon'ble Mr. Mazhar-ul-Haque moved an amendment "that the Bill before the Council be taken into consideration this day six months." Mr. Gokhale in supporting the Hon'ble Mr. Haque made the following speech:—]*

The Hon'ble Mr. Gokhale: Mr. Vice-President, I desire to join in the protest which my Hon'ble friend Mr. Haque has entered against the course adopted by Government in proposing this reduction of tobacco duties. But before doing so, I would like to offer, if the Hon'ble the Finance Minister will let me, my warm congratulations to him on the most interesting and luminous Financial Statement that he has presented to this Council. I think students of Indian finance will readily recognise that in its exposition of financial principles the Statement is one of the most striking that has ever been laid before this Council, and so far as the far-reaching character of some of its announcements go it will probably take rank with those few which have now become of historic importance in this country. The Hon'ble Member has been half-way through his tenure of office as Finance Minister, and his last two Budgets had to be framed amidst great difficulties and were adversity Budgets. We all therefore rejoice that this time he has had to frame his Budget under more favourable circumstances, and we do so as much on his own account as in the interests of the public generally.

While, therefore, my feeling for this Budget is one of genuine satisfaction, I must say that I do not regard all the budgetary dispositions that the Hon'ble Member has made with entire satisfaction; and I believe the Hon'ble Member himself does not expect any Member to do so. One of the least satisfactory features of this Budget is this

reduction of the tobacco duties by about one-third. Last year, if I remember aright, the Hon'ble Member took great credit to himself for his disinterestedness, because he was taxing tobacco though he was a smoker himself. This year, my friend Mr. Haque has gone one better, because, though he loves the cigar very well, he stands up to resist its being cheapened, and he does not even claim credit for disinterestedness. Well, I cannot lay any claim to such disinterestedness as theirs in this matter, because I am no smoker; but my interest in the question is that of the general public, who, I think, are more interested in cheaper petroleum than in cheaper tobacco. Sir, the Hon'ble Mr. Haque has given expression to a suspicion which is widely entertained that the Government of India are not in this business a willing party. I do not know whether the suspicion is well founded: the Finance Minister will, I hope, tell us about that when he rises to reply. But one has only to compare the emphatic manner in which he insisted on raising these tobacco duties last year and the almost apologetic manner in which he has expressed himself in reducing them—and the contrast between the two is most striking—to realise that the heart of the Finance Department is not in this measure of relief. The Finance Department always loves to dwell with some degree of satisfaction on any relief in taxation which it is able to give to the public. In this case, however, the matter is barely mentioned and then sought to be stowed out of sight as if the Finance Minister would rather that the people did not notice what he has done. Sir, last year, when the Hon'ble Member enhanced these tobacco duties, he expressed himself as follows:—

The present taxation—5 per cent. *ad valorem* on manufactured and nothing at all on unmanufactured tobacco—is ludicrously inadequate. In 1907-08 over 6 million pounds of tobacco were imported into India, and all that it paid to Government was £25,000; in England it would have paid 40 times as much. What we now propose is a set of rates which, in the case of cigarettes, is represented by Rs. 2 a lb. They may diminish imports for a time, but incidentally they may check the rapid growth of the cigarette habit, which is not without its danger to the rising generation in India.

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It will be seen that a reduction in the imports was clearly foreseen by the Hon'ble Member, and the diminished imports, therefore, do not lend much support to the course that he has adopted this year. In now reducing these duties, however, this is what the Hon'ble Member says :—

In discussing the yield of the new taxes which were imposed last year, I mentioned that we had been disappointed in our estimate for tobacco. The sudden rise in duties dislocated the import trade for a time, though it is possible that business would gradually have adapted itself to the new conditions. But we are informed that the rates which we selected have hit severely those particular forms of the tobacco industry in India which depend on an admixture of the foreign with the indigenous leaf. We are also doubtful whether our experiment has given us rates which are likely to combine the maximum of revenue with the minimum of hardship. It has been decided, therefore, to propose a reduction in the duties of about one third all round, and a Bill to give effect to this change will be introduced to-day. On the assumption that it will become law, I have raised the yield of our tobacco duties by about 5 lakhs in the Budget.

The last sentence, Sir, is really quite the most interesting in its own way. As I have already said, the Hon'ble Member had clearly foreseen the reduction in the imports : therefore that could not have come upon him as a surprise. He says, however, that by reducing these duties now it would be possible to raise a higher revenue. I have looked into the figures that have been supplied by the Hon'ble Mr. Meston to Mr. Haque, and from these figures I find that the yield of the tobacco duties this year is about 30 lakhs. Five lakhs more means 35 lakhs for next year. For the reduced duties to produce this sum, the consumption must increase by about 75 per cent. A small calculation will make that clear. The Hon'ble Member must, therefore, expect that by reducing these duties by one-third he will push up the imports by 75 per cent. Now, in the first place, he has got to explain what has become of his solicitude for the welfare of the youth of this country, as my Hon'ble friend Mr. Haque has called upon him to do; secondly, I would like to know what are the grounds on which he bases this expectation, namely, that if he reduces these duties by one-third, the imports will rise by about 75 per cent. It really looks, Sir, as

though there was something more behind, and it is very unfortunate that there should be room for such a suspicion as that. As I have already observed, I hope the Hon'ble Member will disabuse our minds of this suspicion, and if he does this no one will be better pleased than myself. But if there has really been pressure from England in this matter and the Government of India are a mere unwilling party to the reduction, I deem it my duty to protest strongly against such pressure from England. In matters involving large policies the decision must, of course, be with the Imperial Government in England; but in these smaller matters I think that the Government of India ought to be left free. Sir, in another part of his Budget Statement, the Hon'ble Member insists on the fact that in view of the threatened extinction of the Opium revenue the Government cannot afford to relinquish any part of the revenue they enjoy at present. After that emphatic statement, it is rather curious that these tobacco duties should have been selected for reduction this year. If the Hon'ble Member was in a position to afford relief to anybody, there is no doubt that the consumers of petroleum were entitled to that relief first. I find from the figures about the consumption of petroleum that the imports of foreign petroleum show a considerable diminution. Now petroleum is, as everybody knows, a necessary of life and not an article of luxury, and when the imports of petroleum go down, it means that the poorer people have undoubtedly suffered some inconvenience. If there is less tobacco smoked in the country, I do not suppose any one is any the worse for that; if people smoke inferior cigars and cigarettes, that also is a matter that concerns them alone. The foreign manufacturers are no doubt affected, but we are not concerned with them. But when the imports of petroleum are reduced, that is a serious consideration for the Finance Minister, because that means that the mass of the people are being subjected to a great deal of unnecessary hardship. I find, Sir, that the quantity of petroleum consumed during the year previous to the enhanced duty was about 136 millions of gallons, while that for the current year shows a reduction of about 8 million gallons—the figure for this year is 128 million gallons. Coming to an analysis

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of the figures, we find that while foreign petroleum has fallen from 62 to 50 million gallons, Burma oil, which pays no duty, has risen only from 74 to 78 million gallons. When these duties were raised last year, it was expected by some that the result of it would be to push up the consumption of Burma oil which pays no duty. But as a matter of fact the rise in the consumption of Burma oil has been only about 4 million gallons as against a fall of 12 million gallons in the foreign petroleum. When these duties were under discussion in the Council some of us urged that one result of the enhancement of the duties would be to enable the owners of Burma oil to push up prices. I understand from the Hon'ble Mr. Gates that prices had really already been pushed up about a month before the duties were raised by an agreement between the Burma Company and foreign companies. And when the duty was raised and a difference created in favour of Burma petroleum, the Burma Petroleum Company was not slow to take the fullest advantage of the situation to earn extra profits. The enhanced petroleum duties, therefore, ought, in my opinion, to be reduced as soon as possible. In any case, if any relief can be granted, if the Hon'ble the Finance Minister can spare any money, that ought to be devoted to a reduction of the petroleum duties in preference to the tobacco duties.

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## THE OPIUM FUND.

*[On the 7th of March 1911, the Hon'ble Sir Guy Fleetwood Wilson opened the first stage of the discussion on the Financial Statement for 1911-12. The Hon'ble I. L. Jenkins, C. S. I., presided. Mr. Gokhale moved a resolution that the new loan for the coming year be raised by two million £ to be set apart to constitute a new fund to be called the Opium Fund, or, in the alternative, to be devoted to non-recurring expenditure on Education, Sanitation and Medical Relief. In moving the resolution he made the following speech :—]*

The Hon'ble Mr. Gokhale :—Sir, I rise to move the resolution which stands in my name and which reads as follows :—

That this Council recommends that the amount of the new loan for next year be raised from £5,925,300 to £7,925,300 and that the extra two millions be set apart to constitute a new fund to be called the Opium Fund, or in the alternative, be devoted to non-recurring expenditure on Education, Sanitation and Medical Relief.

I must at the outset explain to the Council why it is that I have worded my resolution in the manner I have done, and why, when I do not want the loan for next year to be really raised, I appear here as though I wanted that loan to be raised. My reason is that the rules of this Council, the rules which govern this discussion, are to a great extent defective, and till they are so modified the only way in which I can raise the discussion, which I am anxious to raise to-day, is in this round-about manner. The Council is aware that this year, I mean the year which is about to close, there is a large surplus made up of two parts. There is what the Finance Department calls the opium surplus, and there is the ordinary or non-opium surplus. The total amount of these two surpluses has not been, in my opinion, stated as it should have been by the Department. The total, as I will proceed to show, is £5½ millions or Rs. 8 crores. A portion of it is hidden away

under one head and another portion under another head. And the final surplus, actually shown by the Department, is about £3½ millions. A careful analysis, however, shows that the real total surplus is £5½ millions and not £3½ millions. This surplus is made up of £3 millions under opium, and about £2½ millions under other heads. Out of this 2½ millions, grants have been made to Local Governments amounting to a total £1½ millions sterling. The Finance Department says that the grant of £1 million for education and sanitation has been made out of the opium surplus. I do not see why it was necessary to touch the opium surplus for this grant; there was the ordinary surplus available, and the whole grant could have come out of that ordinary surplus and the opium surplus could have been left intact. That however is a point with which I will deal later. The facts, as they are stated in the Financial Statement, show a surplus of £3½ millions—£2 millions as the surplus under opium and £1½ millions as the non-opium surplus; and what the Finance Minister has done is to devote the two millions opium surplus to the reduction of debt, the remaining £1½ millions going into the cash balances of the country. Now, Sir, my object in moving this resolution is to recover that sum of 2 millions which the Government of India have decided to devote to the reduction of debt. I would like to have that sum back and devote it, in the first instance, to the creation of a new fund, a reserve fund, to be called the Opium Fund. Or, if this proposal is not acceptable by the Council, I would propose that these 2 millions should be devoted to non-recurring expenditure on education, sanitation, and medical relief.

Sir, if, under the rules, I could have raised a direct discussion as to the dispositions of this year, *i. e.*, the dispositions in the revised estimates, I should certainly have brought in my motion in a more direct form. But there is a rule which lays down that our resolutions at this, the first stage of the financial discussion, should be confined to any alteration in taxation, any new loan or any additional grant to Local Governments *mentioned or proposed in the Financial Statement* or in the Explanatory Memorandum

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accompanying it. And the Financial Statement has been defined in the definitions as the budget estimates for the year next following, the revised estimates for the year about to close not being included in the definition. I think the definition requires to be altered, the Financial Statement being made to include not only the budget estimates for next year, but also the revised estimates for the current year. Otherwise all that the Finance Minister has to do is to say nothing in the Financial Statement about any grants to Local Governments, but to start making such grants as soon as the budget discussion is over, and go on making them during the year. By the time we come to the end of the year, all these grants, as already made, will appear in the revised estimates, and they can then, under the present definition, escape the discussion to which we are entitled to subject them. However, the rule being there in its present form, I did not like to take any risks. Possibly, if I had worded the motion in a more direct form, it might have been allowed, as a matter of grace, as I see some other motions have been allowed. But I did not like to take the risk of the motion being disallowed, and I therefore have worded my resolution in this round-about manner. By this means I raise the matter under the head of the new loan for next year. My proposal is that the loan which the Government proposes to raise during next year should be 8 millions instead of 6 millions. This extra two millions will be no increase in reality in our indebtedness because the Government are reducing our debt this year by 2 millions taken out of the opium surplus, and all I propose is that after the new year begins it should again be raised by 2 millions, so that there should be no real change in the debt. My object thus is to recover for the country the two millions which the Hon'ble Members proposes to devote or has devoted to the reduction of our debt, and the actual wording of the resolution is merely a matter of form rendered necessary by the rules as they stand to-day.

Sir, I said at the commencement that our real surplus this year is  $5\frac{1}{4}$  millions or 8 crores of rupees. It

will be seen on a careful examination of the Financial Statement that there are two series of doles—those doles which the Finance Minister once condemned—which reduce it by  $1\frac{3}{4}$  millions. I am not sorry that these doles have been given this year, because they are for purposes which I entirely approve. But I remember the Hon'ble Member expressing himself once somewhat strongly against the policy of doles. The doles this year are a grant for non-recurring purposes, for sanitation and education, of about a million, and another grant to various Local Governments for various objects of public utility, roughly amounting to about three-quarters of a million. The two together amount to  $1\frac{3}{4}$  millions. Now, if the whole of this  $1\frac{3}{4}$  millions had been taken out of the ordinary surplus, leaving the opium surplus alone, even then there would have been half a million of the ordinary surplus left. What the Hon'ble Member has, however done is this. He takes 1 million out of the 3 millions opium surplus, and gives it to education and sanitation; then he takes  $\frac{3}{4}$  of a million out of the other  $2\frac{1}{4}$  millions, and gives it to various Local Governments for various purposes; thereby leaving behind a million and a half of the second and 2 millions of the first surplus, or a total resulting surplus of  $3\frac{1}{2}$  millions. Now, Sir, I do not understand why he has done all this in this way. The special grant to education and sanitation could as well have come out of the non-opium surplus. The special opium surplus might have been left alone to be dealt with in some special manner—for redemption of debt, as the Hon'ble Member proposes, or for creating a special reserve, as I am going to propose. There was ample margin for both series of grants out of the ordinary surplus, and I do not understand why some money has been taken out of one surplus and some out of the other, and the resulting surpluses, under the two heads shown as they have been in the Statement. However, that does not affect my resolution in any way. I suggest that this opium surplus which stands at 3 millions, though the resolution raises a discussion on only about 2 millions, should be set apart to constitute a new fund which I would call the opium fund or opium reserve or by some such name; and I further suggest.

that we should go on adding to it all the additional opium surpluses that the Hon'ble Member or his successor may earn during the next few years, and the fund thus created allowed to accumulate, so that when the opium revenue comes to be extinguished, the inconvenience and dislocation arising from that extinction should be partly met by drawing on this fund; in other words, that this fund should enable the Government to distribute the inconvenience of the loss of opium revenue over a longer period than would otherwise be possible.

Sir, this question of the disposal of the opium surplus is in reality a most important question, and I would ask the indulgence of the Council while I state why, in my opinion, the course which I have suggested should be adopted. Last year, when I urged that instead of including the whole of the opium receipts in the revenue for a particular year, we should have a sliding scale of a diminishing opium revenue, as that revenue was marked out for extinction, the Hon'ble Mr. Meston, in whom we all are glad to recognise a master of debate, tried to turn the point of my contention against me by saying that that was precisely what the Government were going to do, only he could not reconcile my advocacy of that scheme with my complaint in the earlier part of the debate that the Government had under-estimated the opium revenue. Now, my position at that time was perfectly clear. Sir Edward Baker had stated in this Council three years ago when he first announced to the Council that the opium revenue was doomed, that if the Government of India were allowed to spread the loss of that revenue over ten years, which at that time meant an annual diminution of 50 lakhs, the Government would be able to stand the loss without recourse to extra taxation. And what I meant was that this sliding scale which has been devised this year should have been brought into operation then—not after two years of the excess revenue had been enjoyed by Government and used for ordinary expenditure and after extra taxation had been imposed in order to meet the deficit caused by an uncontrolled growth of expenditure. My contention was that the sliding scale

should have been brought into existence when the announcement was first made here in this Council that the opium revenue would disappear in ten years. However, better late than never, and I am glad the Finance Department has at last introduced a sliding scale; only, instead of an annual diminution of 50 lakhs, it must now be about 85 lakhs, as we have now only seven years in front of us instead of ten. Now, Sir, if the Government could spread the loss of this opium revenue even over the next 7 years, possibly the Finance Department might be able to find annually this margin of 85 lakhs out of the normal growth of revenue, and they might be able to meet the difficulties, that the loss of revenue would create without having recourse to extra taxation. I think this is just possible, though I do not know what may actually happen. But will the Government have the whole period of seven years to distribute this loss over? I think there are many indications that the Government of India will not get seven years, that in the course of four years, possibly even three years, this opium revenue may go. Let us assume that it will go in about three years. It is only wise to be prepared for a contingency like this, as events are clearly moving in that direction. I may say at once that personally I do not regret the prospect of this loss. I have always regarded this opium revenue as a great stain on our finances, because it is drawn from the moral degradation of the people of a sister country. Indeed, I am glad that this revenue will go, and I do not mind having to face the situation which the loss will create. At the same time, I would, in prudence, prepare for the contingency from now. Assuming that the opium revenue is extinguished in the course of three years, what will happen? The sliding scale of the Finance Department assumes a period of 7 more years for total loss. The Department takes for the current year an opium revenue of 7 crores, for the next year of 6 crores 15 lakhs, for the year following that about 5½ crores, and so on. But if the opium revenue is extinguished in the course of three years more, the sliding scale will not carry us lower down than to about 4 crores for the last year, instead of to only 85 lakhs, as would be the case on a seven years' basis. And,

Sir, if this happens, as sure as the fact that we are here in this room to-day, the Finance Department will have recourse to extra taxation to fill up the gap. And as I am anxious to guard the country against such a course, I bring forward my proposal for the creation of an Opium Reserve Fund to-day.

My proposal, Sir, is this. The additional Opium revenue by which I mean the excess over the sliding scale—which is 7 crores for the current year, 6 crores and 15 lakhs for the next year, and so on—is rendered possible solely by the fact that the opium traffic is threatened with extinction and that the Chinese consumers are therefore prepared to pay fancy prices for the drug while it can be had. The very threatened extinction, therefore, is producing the surplus at present, and it is only proper that the surplus should be utilised in order that the dislocation of our finances, when the extinction does come, should cause as little inconvenience to us as possible. What I urge therefore is this. This surplus, over and above the sliding scale, should be put aside year after year. We have 3 millions this year, we might have, say, 2 millions next year, and, say, another 2 millions during the following year, and at the end of the 3rd year let us suppose that the opium revenue suddenly disappears altogether. According to the sliding scale, the 4th year will require an opium revenue of  $3\frac{1}{2}$  crores, the 5th year about  $2\frac{1}{2}$  crores and so on. Meanwhile our Opium Reserve Fund will amount, during the next three years, to 7 millions. If we have such a Fund, we can draw on it to fill up the gaps for the 4th, 5th, 6th and 7th years, and thus obviate a recourse to extra taxation. Thus, by creating this opium reserve, we shall be able to spread the whole loss over 7 years—the period which the Government of India are anxious to spread it over—even if the actual extinction takes place in three years. Of course, if you devote this money to the reduction of debt now, and if the Government will borrow when the need arises to fill up the gap for purposes of current expenditure, then I do not press my proposal. I recognize that there is no special merit in a separate fund. But the Government has never so borrowed.

The Government will never borrow for recurring purposes even temporarily, especially when the prospect is to have to borrow for a number of years ; and I am quite sure, if a proposal to borrow is made by any Member in those circumstances, we shall have sermons in this Council from the Finance Minister about the un-wisdom and impolicy and extravagance of borrowing for ordinary purposes. Therefore, if the opium revenue is extinguished in, say, three years—and it is by no means improbable—while the surpluses during the three years will be devoted to a reduction of debt, when the threatened extinction comes, instead of again borrowing to the extent of the reduction effected, the Government will impose extra taxes. If, however, the Government have this opium reserve at their side, there will be no excuse and no justification whatsoever for the imposition of extra taxes. Of course, I do not object to extra taxation for other purposes. But, other things being equal, I do not want any extra taxation to meet the loss of the opium revenue. Sir, it may be said that, after all, a reduction of debt is a most excellent object, and as the future may well take care of itself, the Finance Minister is justified in devoting his surpluses to a reduction of debt, thereby leaving his successor the burden of a smaller debt. If the debt of this country—I mean the ordinary debt—had been a huge debt, similar to the mammoth debts of Western countries, I would have understood such a course, and I would not have opposed this policy as I am doing now. But what is our unproductive debt? I think an enquiry into this question is useful in view of what the Finance Member says in his Financial Statement. He says there that two millions will be devoted to a reduction of debt, because thereby our credit would be strengthened. With all deference, Sir, I beg leave to say that in speaking thus he is merely using a Western formula—a formula which in India has no application because of the trifling amount of our debt. Sir, what is the amount of our debt? Our total debt is made up of various component factors. There is the permanent or funded debt. There is the temporary or unfunded debt. And there are various funds with the Government, such as savings banks deposits, service funds, special loans, judicial deposits in courts,



and so forth. Against this the Government have their Railways and Irrigation works, their loans and advances to Local Bodies, Native States and cultivators, and their cash balances. Deducting these latter from the total debt, what remains is the true ordinary or unproductive debt. Now, taking the figures for 1907-08, and bringing them up to date, we find that in 1907-08 the permanent debt in India was 88·55 millions; the permanent debt in England was 156·48 millions, or, in the two countries together, 245 millions. That was the funded permanent debt in that year. The unfunded debt in that year was only 1 million. Then about 20 millions represented special loans, service funds, savings banks deposits, departmental and judicial deposits and miscellaneous obligations of the Government, or total liabilities of 266·28 millions or 400 crores of the liabilities of the Government. As against this, the Government of India had in that year 177·7 millions invested in Railways and 29·87 in Irrigation Works, or a total of 207·57 millions under the two heads together. The Railway debt was earning about 5 per cent., the Irrigation debt about 7 per cent. Therefore it was really no debt at all in the sense in which the term debt is used. That accounted for 207 out of 266 millions. Then the loans and advances by Government to various Local Bodies, Native States and cultivators amounted in that year to 13 millions and the cash balances were 18·6 millions. Thus, 239 millions out of 266·28 millions represented the investments and cash balances of the Government, leaving only about 27 millions of real unproductive debt for the country. This was in 1907-08. Since then the position has undergone some deterioration. Of course there has been additional borrowing for Railways and Irrigation; but we need not take that into account since Railway and Irrigation investments are earning 5 and 7 per cent. interest respectively. But there was a deficit in 1908-09 of 3·74 millions. In 1909-10 there was a surplus of '61 million, and this year, excluding the opium surplus of 3 millions, there is still a surplus of '49 or half a million. The position therefore during the last three years has undergone a deterioration by about 2·64 millions, and we must add that to the figure for 1907-08 to find the total unproductive debt at the

present moment. This comes to 29·7 millions, say 30 millions. Or, if the Finance Minister will prefer it, I am prepared to take the funded unproductive debt, as it appears in our accounts, which is 37 millions. That means making a present of about 7 millions to the Hon'ble Member; but I will do so and will take 37 millions for the purposes of my argument. Now, Sir, what is a total unproductive debt of 37 millions for a vast country like India? What is such a debt compared with the huge debts of other countries? And is the reduction of this trifling debt a matter of such paramount importance that everything the Finance Department can lay hands on should be devoted to this reduction to the practical exclusion of all other useful objects, as has been done during the last 10 or 12 years? Sir, my protest against this policy of the Government has been a long-standing one. Year after year, for the last ten years, I have been raising my voice in this Council against this policy; but so far without much effect. How does our unproductive debt compare with that of other countries? In England, at the present moment, you have a national debt of over 700 millions, corresponding to our unproductive debt. In France it is over a thousand millions. In several other countries it is four to five hundred millions. Even in an Eastern country like China it is about 110 millions, though the annual revenue of China is much smaller than ours. The Hon'ble Member speaks of the necessity of strengthening our credit. If we look at the rates of interest at which different countries borrow, it will be found that our credit is exceedingly good.

The bulk of our debt is at  $3\frac{1}{2}$  per cent. whereas Japan borrows at from 4 to 7 per cent. Russia borrows at about 5 per cent. Turkey borrows at 5 per cent. and over; China borrows at between 4 and 7 per cent., 4 per cent. in a few cases, 6 and 7 per cent. being the usual rate. Even Italy borrows at a higher rate than India, the bulk of Italy's debt being  $3\frac{3}{4}$  per cent. I therefore contend that our credit is excellent, and I think the Hon'ble Member need not be in a hurry to improve it still further. Moreover, when a debt is as small as ours, credit is strengthened by its

diminution only theoretically. I do not say that our debt should be left where it is. I am quite willing that there should be some provision for a regular reduction in the ordinary debt of the country. I am quite willing that there should be a Sinking Fund of a definite amount; but when the requirements of such a fund are provided, all money out of the revenue over and above it should be devoted to pressing objects of public utility, such as education, sanitation, medical relief, and so forth. Now, Sir, if we examine next year's Financial Statement, we shall find a sum of 2 crores already devoted to the reduction of debt, *i. e.*, already serving the purpose of a Sinking Fund. Seventy-five lakhs are provided under the head of Famine Relief and Insurance to avoidance or reduction of debts; and under Railway expenditure we have a sum of over £800,000, or about  $1\frac{1}{2}$  crores, devoted to the redemption of Capital; and according to our system of accounts that finally shows itself as a reduction in our ordinary debt. Therefore we have  $1\frac{1}{2}$  crores under Railway Capital expenditure and three-quarters of a crore under reduction or avoidance of debt, or, roughly a sum of 2 crores devoted to reduction of debt. I am quite willing that this should be a standing Sinking Fund. If, in any year, the Government cannot afford these 2 crores, I am willing that the deficiency should be a first claim on the surplus of succeeding years. If further, there is any deficit in any year, that deficit should be a first claim on the surplus of the years that follow. But when you have provided for this Sinking Fund and for covering ordinary deficits, I think all money, in excess of that, should be devoted to non-recurring expenditure on those objects with which the moral and material well-being of the people is intimately bound up. Sir, a Sinking Fund of 2 crores a year is four times as large as what rich England is providing for her to-day. The total debt at present is about 750 millions. Between the Crimean War and the South African War, England reduced her debt by about 200 millions. It was about 836 millions at the close of the Crimean War. It was about 635 millions at the beginning of the Boer War. In other words, England reduced her debt during the interval by 200 millions or 5 millions a year. This means a Sink-

ing Fund of a little over  $\frac{1}{2}$  per cent. on the first debt. During the last 8 or 9 years they have reduced the debt from over 800 millions—the figure at the close of the Boer War—to 750 millions, a reduction of about 50 millions; that amounts to about 1 per cent. on the first debt. Therefore, you find that in a wealthy country like England the Sinking Fund does not exceed about 1 per cent. of the debt. Here, in India, I am willing to allow 2 crores annually to get rid of our small debt of 37 millions. This means a Sinking Fund of 4 per cent. as against 1 per cent. in England. Surely the Hon'ble Member should be satisfied with this, and all money over and above this amount ought to be available for other pressing purposes which require large outlay very badly. Sir, for these purposes—Education, Sanitation and Medical Relief—while a great deal of recurring expenditure is, no doubt, necessary, there is also a vast amount of non-recurring expenditure absolutely required. And the need is most urgent. Seven out of every 8 children are growing up in India in ignorance, while the State in every other civilised country has made the free and compulsory education of its children one of its primary duties; 4 villages out of 5 in this country are without a school. Then sanitation throughout the country is in a most neglected condition. The death-rate, already high, is growing higher and higher; the latest figures show that the death-rate is now over 38 per thousand. For providing school-buildings for primary schools, hostels, for secondary schools and colleges, for initial outlay on technological institutions, for drainage and water works, an enormous amount of money of a non-recurring character is required, and there can be no more beneficent expenditure of public money after a Sinking Fund has been provided. My proposals, therefore, are these: I propose, in the first place, that the opium surpluses, over and above the figures of the sliding scale, should be set apart to constitute a new fund to be called the Opium Fund. In the event of this proposal not being accepted, I propose that the whole of such surpluses should go to meet non-recurring expenditure on Sanitation, Education, and Medical Relief instead of being devoted to a reduction of debt. At the same time I propose that a Sinking Fund of a

definite amount should be created, and that all sums over and above that Sinking Fund should be applied to the objects I have mentioned. Sir, I move the resolution which stands in my name.

*[At the end of the debate on the resolution on the Opium Fund, by way of reply, Mr. Gokhale spoke as follows :—]*

The Hon'ble Mr. Gokhale :—Sir, I should like to say a few words in reply to what the Hon'ble Mr. Meston has said, before this resolution is put to the vote. The Hon'ble Member began by giving me credit for sleight-of-hand and feats of jugglery of which I have considered myself more or less innocent. However, I should like to know where the sleights-of-hand and the jugglery have come in. So far as the two surpluses, the Opium surplus and the non-Opium surplus are concerned, I only wanted to know why the Department had set apart one million for Education and Sanitation from the Opium surplus instead of from the other surplus in which there was a margin for it. The Hon'ble Member could then have kept the whole of the 3 millions of Opium surplus intact. He could still have given us the money for Sanitation and Education; he could still have made those grants to Local Governments of about a crore and four lakhs for various specific purposes, and yet he would have had a non-Opium surplus of half a million. I wanted to know why, instead of adopting this simple course, the other has been adopted by the Government; but no answer has been forthcoming to that; and instead of giving the explanation asked for, the Hon'ble Member describes my presentation of figures as a feat of jugglery. However it is a small matter, and may well rest where it is.

So far as the policy of providing a sliding scale of diminishing revenue for Opium is concerned, I entirely approve of it. I suggested that course myself last year, and I am convinced that that is the only safe and sound course. The question is, what is to be done with the surplus that you get over and above the revenue of this sliding scale? The Hon'ble Member said the Government would devote this excess just now to reduction of debt,

and, when the time comes, they would consider what they should do—whether they should again raise their unproductive debt or adopt such other means as in their wisdom and with the advice of the Council they might think proper—which means impose additional taxation, which they are sure to do. Sir, I have been following Indian finance for the last 25 years with some interest, and if I know one thing, it is this. Whenever there is a deficit, the occasion is straightaway utilised by the Government for imposing additional taxation; but, on the other hand, surpluses have been rarely followed by a remission of taxation. It is only when it becomes absolutely impossible to maintain the old level of taxation any more, that remissions are granted to the people, and that very tardily. The reason for this is obvious. The Department does not care to relinquish its hold on the money, if it can help it. Public opinion in the country is weak. There are no electors here to win over, to placate, or to please, and the Government, having the money, do not want to let it go.

Sir, the Hon'ble Member has said a good deal as to the form of my resolution; but I really think he need not have spent so much of his energy on it. He knew quite well what I had in my mind, and indeed, last year, it was he himself who put me in the way in this matter. I was then in a difficulty as to how to raise a similar question, and the Hon'ble Member came to my rescue and pointed out to me how I could get round the rules and raise the discussion. I then followed his advice and was very grateful to him for it; and all I have done this year is to adopt the same course again. He knew what I had then in view, and he knows what I have in view to-day; and therefore all that he has said just now about not raising any more loans, about the inadvisability of adding to our indebtedness, was really somewhat unnecessary.

Then, Sir, the Hon'ble Member says that, in the opinion of the Finance Department, with its conservative view in this matter, a reduction of debt is the wisest policy to pursue in such circumstances. Our debt, however, is extremely small, and my question is, how much do you want annually, as a sinking fund, to reduce this debt still

further? Next year, for instance, you have already provided 2 crores for the purpose out of the ordinary revenue of the country. Are you not satisfied with that? Do you want 3 crores, 4 crores or 5 crores every year in order to reduce this debt of 37 millions? The Hon'ble Member has not attempted any reply to that. Of course a small debt is a most convenient thing for official speakers on the subject of Indian finances. It provides exceedingly good material for glowing periods to adorn the perorations of official speakers on the subject of the management of Indian finance whether here or in Parliament. But that is hardly any consolation to us who want so much money in so many directions for those pressing and all-important objects that I have mentioned. As to whether we can spend large sums on non-recurring purposes usefully, I think the Hon'ble Member may ask the Hon'ble Mr. Butler. After the Conference that we had at Allahabad recently, I am quite sure that the Hon'ble Mr. Butler would at once give him a programme that would show that not one but 10, 15 or even 20 millions could be usefully employed as non-recurring expenditure in the directions I have indicated. It is quite true that two years ago we had a deficit. But is that a fair way of putting it? We had a deficit two years ago; but the deficit came after 10 years of surpluses. Why does the Hon'ble Member take 1908-09 as the starting point? Why does he not take a point two or three years before that? You had 10 years of surpluses during which period you realized—you will find, if you will refer to the returns—a total of about 26 millions as surpluses. After 26 millions of surpluses had been realized you get one year of a deficit of 3·74 millions; after which you again have two small surpluses. And you insist on making up for the one deficit by devoting to paying it off succeeding surpluses, regardless of the fact that there have been 26 millions of surpluses behind. It only means that whenever you have money, you want to devote it to the reduction of debt, because somehow that is the ambition of every Finance Minister; and when you have a deficit, you keep that deficit before the public till you are able to get some more money to wipe it off. I really think, Sir, that the country has a right to complain

of this policy. I am speaking of the general policy followed year after year in this matter, not of the policy adopted in this particular Budget. I have already expressed my great satisfaction as to some of the principles laid down and the dispositions made in this Budget. We are grateful to the Hon'ble Finance Member for what he has done, for he has done what we did not succeed in inducing any previous Finance Minister to do. He has given us a million for Education and Sanitation, and those of us, who have been raising our voice in favour of such a grant year after year these several years, surely we are not likely to be wanting in gratitude to the Hon'ble Member for this. But the Hon'ble Member does not yet go far enough. One million is good, but three millions would be better. If he would set apart these 3 millions to constitute an Opium reserve, then I do not want them for the other purposes mentioned; but if you are going to use the money for reducing debt, we deem it our duty to protest. As my friend, Sir Vithaldas Thackersey has pointed out, if you devote 2 crores a year to the reduction of debt, you would be able to wipe off the whole amount in the life-time of a single generation. My friend was not right about the 75 lakhs. The total amount under Famine Insurance is 150 lakhs, of which half is devoted to protective irrigation, when there is no demand for actual famine relief, and the other half, that is, 75 lakhs, is devoted to a reduction or avoidance of debt. Therefore, the sum is generally available for reducing debt along with the amount that is provided for the redemption of Capital under Railways.

Before resuming my seat I would request you, Sir, to put the resolution to the vote in two parts, under rule 16. Rule 16 says "if any resolution involves many points the President at his discretion may divide it so that each point may be determined separately." I recognise the force of some of the observations of the Hon'ble Mr. Madge. There may be other Members who would be willing to support me in my proposal about an Opium Reserve Fund, but who would not care to have the whole of the money assigned to Education, Sanitation and Medical Relief. I am therefore quite prepared to ask, Sir, that



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you, in your discretion, may put the two parts of this resolution to the vote separately: namely, first, that the 2 millions be devoted to the creation of an Opium Fund; and, if that fails, then that it should be devoted to Sanitation, Education and other purposes.

## SUBSIDY FOR VERNACULAR PAPERS.

*[On Stk March 1911, the Hon'ble Mr. Basu moved a Resolution in the Imperial Legislative Council recommending that the special grant to the Government of Bengal be reduced by the sum of Rs. 65,000, the amount which the Government of Bengal had promised as subsidy towards a Vernacular paper to be started in Bengal. In supporting the Resolution, Mr. Gokhale spoke as follows :—]*

Sir, I wish to say a few words in support of the Resolution which my Hon'ble friend Babu Bupendranath Basu has placed before the Council. I wish to support this Resolution, first, because, there is a report abroad that other Governments, besides the Government of Bengal, intend to follow suit, and secondly, because, though this matter concerns, in the first instance, Bengal alone, still there is a large principle involved in this question, and I think it is as well that that principle should be discussed from all points of view. But, Sir, before I say what I have to say on the subject, I would like to prevent, if possible, an injustice being done to the gentleman who has come forward at the instance of the Bengal Government to undertake this work. I refer to my friend Rai Narendra Nath Sen Bahadur. I am anxious that no wrong impression should go forth from this Council Chamber about the intentions or motives of the Rai Bahadur, or about the terms on which he has accepted this work from the Government. Rai Narendra Nath Sen Bahadur is one of the veteran journalists and public men of this country, and many of us, including, I am sure, my friend Mr. Basu, have held him in the highest respect for all the time that he had been in public life. And I feel bound to say this for Rai Bahadur Narendra Nath Sen that among the public men of the country he is second to none in straightforwardness, in courage, and in strength of conviction; and it must also be recognized that he has laboured long and incessantly for the welfare of the country. I am quite

sure, therefore, that the description of a "paid pack" is the very last that can ever be applied to Rai Bahadur Narendra Nath Sen. At the same time I must say that the Rai Bahadur has undertaken a task which is beyond the power of any human being. If the Government are anxious that misrepresentations of their acts and intentions, which, from time to time, appear in the Vernacular Press, should be corrected promptly—a desire which I can understand and with which I largely sympathise—whatever other course might be effective, this certainly is not an effective course. Far better that the Government should have an organ of its own, an open State organ conducted out of State funds and issued as a State publication. Or there are other possible ways, to one of which I will presently refer. But the course actually adopted by the Bengal Government is about the worst that could have been adopted, and I am quite sure that it will be found to be absolutely ineffective in practice. However high may be the character or the motives of a man who comes forward to conduct a subsidized paper, there can be no question about the fact that so far as the bulk of the readers, *i.e.*, of the public, is concerned, there will always be an impression that the opinion expressed in the paper is not an independent opinion. And in the present case, for one man who knows Rai Narendra Nath Sen Bahadur personally, 99 will only judge him from appearances. When it is known that the paper depends for its existence upon a large subsidy from the Government no further proof will be required by most people to discredit the paper and, along with the paper, all that appears in it.

I have said, Sir, that I can quite understand the desire of the Government that they should have a few friends at least in the ranks of the Vernacular Press—papers that will give them fair play, papers that will assume the best, till the worst is proved. I quite recognise that situations sometimes arise when this desire may be strongly felt by the Government. But I am firmly convinced that the only way in which a real remedy can be found for such a state of things is by working for a general improvement in the situation of the country. Some of the reme-

dies proposed, from time to time, may go some way. A State paper, for instance. Such a paper would have certain advantages over a subsidised paper conducted by a private individual. As my Hon'ble friend Babu Bupendranath Basu has pointed out, how are the opinions of a subsidised paper to be regarded? Nobody will think that the opinions there have the weight which would be attached to a pronouncement from Government; for it will always be doubted if the editor of such a paper would be really taken by the Government into its confidence. Then there will be views about social questions and religious questions, about which Government is bound to observe an attitude of neutrality. Even in political matters, the paper will not represent the views of Government. Rai Narendra Nath Sen Bahadur, for instance, is not the man who will conceal his views where he feels strongly. Are the Government prepared to accept the responsibility for the views which he expresses? If not, why should the Government come forward and spend Rs. 62,000 in supporting a paper, the social and religious views of which it cannot accept and the political views of which it may not be prepared to accept? As I have already observed, far better that the Government should issue a State publication of its own. Then it will at least avoid all religious and social questions; it will also avoid ordinary political controversies. Whenever it notices misrepresentations about its intentions in the Press, it will correct these misrepresentations and the public will know authoritatively what the Government have to say.

But, Sir, there is another way, which perhaps would be better than a direct State organ. The Government might, without directly coming into the field, get some of its more pronounced friends or champions to undertake the work. There is, I understand, a body here, called the 'Imperial League,' of which my friend, the Maharaja of Burdwan, is a distinguished member. The other day, when this body waited in deputation on the Viceroy, His Excellency made a suggestion that the members should not confine themselves merely to presenting addresses to departing and incoming Viceroys. And I am quite sure that the

members themselves take the same view of their responsibilities. And they would, no doubt, be glad to come to the support of Government, especially when a serious question like this has to be solved. Many of the members of the League are very wealthy men, and, if a suggestion were made to them, it is more than probable that they would come forward to start an organ of their own—an organ that would actively combat the views that are circulated in a section of the Vernacular Press. The paper will, of course, represent the views of certain wealthy gentlemen in the country only, but they will be men who have a stake in the country, as we are often reminded, and their views will be free from all those objections which may be urged against a subsidised paper, since there will be no Government money behind it. I think in many respects this would be a far more effective course to take than either a directly subsidised paper or even a State organ. But, when all this is said, I really do not believe that any of the courses will really achieve anything very much. The attitude of the Vernacular Press, deplorable as it may at times be, depends largely on a number of circumstances. For one thing, the normal relations between the English and the Indians in the country determine it; and the special questions which for the moment may happen to agitate the public mind also largely influence it. And then there are the writings in the columns of the Anglo-Indian Press. What happens very often is that writers in the Vernacular Press take up the articles or attacks in the Anglo-Indian papers and reply to them. The officials, who read these replies, apply them to themselves, because the writers in the Vernacular Press often express themselves generally against Europeans as such, taking the Anglo-Indian Press to represent European views. And the real remedy for this state of things is neither a subsidised paper, nor a State paper, nor even a private organ, specially started by influential men, but a sustained and statesmanlike effort on both sides to bring about a general improvement in the relations between Englishmen and Indians in India. But whatever may be thought of this view, there is no question that the Bengal Government have made a great mistake, and I earnestly

hope that a similar mistake will not be made by other Governments. Bengal has been fortunate in getting Rai Bahadur Narendra Nath Sen to undertake the work. Those who know him will not need to be told that he will not express any opinion which he does not himself hold. But other Governments may not be equally fortunate. They may choose individuals for the task who have not the same prestige and the same qualifications as Mr. Sen possesses and the result then may be most mischievous.

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## EXCISE COTTON DUTIES.

*[On 9th March 1911, the Hon'ble Mr. Dadabhoy moved a Resolution in the Imperial Legislative Council recommending the abolition of the countervailing excise duty upon cotton goods manufactured in India. Mr. Gokhale, in supporting the Resolution, spoke as follows :—]*

Sir, I rise to accord my support to the resolution which my Hon'ble friend Mr. Dadabhoy has moved, though I do so on grounds somewhat different to those on which he and some of the other speakers who have followed him have based their case. I approach this question, Sir, not from the standpoint of the representatives of the mill industry but from that of a member of the general community. It is well known that when these excise duties were imposed about fifteen years ago, there was a feeling of deep and universal indignation throughout the country, and this indignation was caused by four reasons. Those reasons have been well brought out by the Hon'ble Mr. Dadabhoy in his able speech, and I will, therefore, refer to them only very briefly. The first reason was that the mill industry was at that time in a state of continued depression. The second was that the industry had been hit hard for the time, at any rate, by the currency legislation of the Government. The third was that the duties were imposed not because the Government of India or the Secretary of State thought it desirable to impose them, but because Lancashire dictated that these duties should be so imposed; and the Government of India made no secret that they were not a willing party to that transaction. Lastly it was believed that the action of Lancashire in putting pressure on the Secretary of State, and through him on the Government of India, to impose those duties was due not to the fact that there was any real competition between Lancashire and India, but because Lancashire, already uneasy at the strides the mill industry had made in this country, wanted to handicap that

industry in regard to its further progress. It was well known that the imports from Lancashire were practically all of them of higher counts, whereas the production of the Indian mills was confined at that time to lower counts and there was really no question of competition between the two. It was these reasons that lay behind the extreme irritation and sore felling caused, when these duties first came to be imposed upon us.

I think it is necessary now in the interests of a fair discussion of this question that we should consider if the position has in any way been modified, and, if so, to what extent, in regard to these four circumstances. Taking the first circumstance, we find that there is again a depression in the mill industry; but it is necessary to remember that during the interval a great wave of prosperity has passed over the industry, and that makes some difference in the situation. As regards the currency question, I think things have had time to settle down on their new basis, and therefore the injury, which the currency legislation had temporarily done to the industry, cannot now be specially urged as a reason for removing the excise duties. The third reason remains in its full force, *viz.*, that these duties were imposed at the bidding of Lancashire. That remains in full force, and whenever the circumstance is re-called to the public mind, there is even now a feeling of indignation experienced by the people of this country. Finally, the last argument has lost some of its force—I think it is only fair to acknowledge that—because the Indian mills have now gone in for higher counts to some extent—though it is still a small extent only—and to that extent competition has come into existence between the productions of Lancashire and those of the Indian mills. Therefore, Sir, the position to-day is not exactly the same as it was fifteen years ago, and the question must be considered afresh, before we can take the same stand that we did fifteen years ago in this matter. I may mention that I myself more than once brought this question forward during Lord Curzon's time in this Council and urged the repeal of these duties; but that was before the great wave of prosperity, to which I have



already alluded, passed over the industry—a wave that has to some extent modified the situation.

I think the question must be considered from two points of view: the first is the financial aspect, and the second the larger aspect of economic policy, including the question what kind of economic policy is good for India. Taking first the financial aspect of the case, it is necessary to bear in mind that all great authorities are agreed on this, that revenue duties must not be subjected to the rigorous canons of Free Trade. As my friend Mr. Dadabhoy pointed out, even Mr. Gladstone—one of the greatest apostles of Free Trade and certainly the greatest statesman of the nineteenth century that England produced—complained of the application of Free Trade principles to this country in all their rigour and ‘without a grain of mercy.’ Therefore, revenue duties must not be judged by the standard by which ordinary protective duties may be judged. Again, as Mr. Dadabhoy has pointed out, we had at one time as high a range as 10 per cent. of import duties on cotton goods and yet they were then allowed to exist for revenue purposes without any question being raised about putting on a corresponding excise. Looking upon the  $3\frac{1}{2}$  per cent. import duties on cotton goods, therefore, as purely revenue duties, the question may be considered whether the  $3\frac{1}{2}$  per cent. excise on cotton goods is necessary for our finances. Now, Sir, at the beginning, these excise duties produced about 10 or 12 lakhs of rupees only, which was a comparatively small sum. I find, however, that last year they brought in about 41 lakhs of rupees, which is a considerable sum, and in view of the threatened extinction of the opium revenue, I do not think anyone would lightly propose that such a revenue as this can be sacrificed without a substitute being found for it. I think it is necessary to make that admission. At the same time, though the amount is necessary, I contend that it is possible to raise that amount in another way and a better way, and that, even from the financial standpoint, the duties are objectionable. I contend, Sir, that the main burden of these duties falls on the poorest classes of this country.

Normally the duties fall on the consumer ; they do not fall on the producer, except in abnormal circumstances. The question—who pays—has latterly come to the front in connection with the Tariff Reform controversy in England, and one reads many bewildering statements made from time to time. I, however, think, Sir, that the position which ordinary political economists occupy in this matter is a sound one, namely, that, in normal circumstances, a duty ultimately falls upon the consumer, whereas in abnormal circumstances it may occasionally fall on the producer. Sir, if it was the case that these excise duties fell on the producers and not on the consumers, I would not stand up here to support their abolition to-day. My friend, the Hon'ble Mr. Dadabhoi, complained of the extreme depression of the mill industry, and several other Members have also spoken in similar terms. I think, however, that it is necessary to point out that, before this depression came, they had a spell of extraordinary prosperity ; some of the concerns are reported to have made profits of about 30 and 40 and even 50 per cent. in a single year ; when, therefore, bad years come, we should not forget the good years that went before. If we take an average of good and bad years, I am not quite sure that there is such a strong case to urge for the abolition of these duties from the standpoint of the condition of the industry. Except in such abnormal times as the present, I think it is absolutely clear that the duties fall, not on the producer, but on the consumer, and the consumers of the rougher counts are the poorest of the poor. Therefore, the bulk of the duties is drawn from the pockets of the poorest of the poor, and as such they are a most objectionable impost, and should be done away with. As regards the loss of revenue which will ensue, I have a proposal to make which I will make before I resume my seat. So much about the financial aspect.

Coming to the larger aspect of Free Trade *versus* Protection, I would like briefly to state my position in this matter. I may say at once that by conviction I am not an upholder of Free Trade in all countries and at all times. Free Trade can no more prevail universally

at present than any other noble ideal, for instance, the brotherhood of man. While the Great Powers of the West are preaching the brotherhood of man for one day in the week, they are practising some other faith for the remaining six days and their armaments are going up everywhere. In the same way Free Trade for all countries may be all right in theory, but it will be a long, long day before we shall have it in practice everywhere. And till that time comes, every country must take care of its economic interests in its own way. Now, Sir, most countries have adopted Protection as their economic policy. It is, however, necessary to remember that there are two kinds of Protection, the right kind and the wrong kind. The right kind of protection is that under which the growing industries of a country receive the necessary stimulus and encouragement and support that they require, but under which care is taken that no influential combinations, prejudicial to the interests of the general community, come into existence. The wrong kind of protection, on the other hand, is that under which powerful influences and combinations and interests receive assistance to the prejudice of the general community, the general taxpayers of the country. And I believe that the right kind of Protection, if available, will do good to India. But, Sir, situated as India is, I fear there is no likelihood of that kind of Protection being available to us; and it is my deliberate conviction that, in our present circumstances, a policy of Free Trade, reasonably applied, is after all the *safest* policy for us. If the Government of this country were conducted in accordance with the wishes and the opinions of the people, not merely as imagined by the Government of India, but as ascertained by means of a constitutional machinery existing for the purpose, then of course the situation would be a different one. In the Self-Governing Colonies, where they are able to impose protective tariffs (and, in fact, every Colony has its huge tariff wall, as we all know), the Government is carried on in accordance with the wishes of the people constitutionally ascertained. Where that guarantee exists, it may be assumed that the taxpayers of the country are able to take care of their own interests and further

that they are able to influence the decisions of the Government. But, situated as we are to-day, we are entirely dependent on the Government of India, and, more even than the Government of India, on the Secretary of State for India in Council, in this matter, as they have all the power. We may offer observations, we may criticise the actions of the Government in this country, but we are a long way yet before the Government of the country is carried on in accordance with our wishes, constitutionally ascertained; and until that state of things arises, until, at any rate, we grow so strong in our influence and our position in this Council that the Government will think it necessary to accept and act on our views, I really think that, on the whole, a Policy of Free Trade, reasonably applied, is the safest policy for this country; otherwise influential interests, influential combinations, influential parties in England, who can have ready access to the Secretary of State, to whom we have no such access, will not fail to take the fullest advantage of the situation; and this huge engine of protection, which is a vast power, will be employed, not in the interests of the people of India, but in the interests of those parties. That being so, I do not think we should go in for the advocacy of protection, as such, in the present state of the country, and I for one, will not be a party to such advocacy. I do not therefore join in the plea that the abolition of excise duties would be a measure of protection to the Indian industry and that the Government should accede to it on that ground. But, independently of that, we have a strong case for urging that these duties should be abolished.

One word more I would say before I come to the concluding part of my remarks, and it is this: that in this matter of securing the right kind of protection, there is really not much to choose between the two parties in England. The Liberal Party is, of course, committed to Free Trade openly; Tariff Reformers appear to favour a policy of protection; but it was made abundantly clear, in the course of the last but one election, by prominent members of the Tariff Reform Party—Mr. Bonar Law, Lord Curzon and, if I remember right, even Mr. Balfour—

that, while they would like to have Tariff Reform as England's policy, they would insist on keeping India in bondage, so far as her fiscal policy was concerned. It is true that in one of the leading Conservative papers in England, the *Morning Post*, some striking contributions have recently appeared, favouring a policy of fiscal independence for India; but, before we reach that independence, we shall have to traverse a good deal of ground, and for the present, at any rate, I do not regard the question as within the pale of practical politics.

I now come to the proposal which I wish to make. I suggest that the excise duties should be limited to the higher counts only, in regard to which there is competition between England and India. Roughly, I may say that all counts below 30 should be exempted. That would mean the abolition of the bulk of the excise duties. Such abolition would be a just measure of financial relief to the poorest of the community. To make up for the loss thus occasioned, I suggest that the import duties on cotton goods be raised to 5 per cent.; the countervailing duty in India, limited to counts above 30, being also raised to 5 per cent. at the same time. You will then not sacrifice any revenue. Taking the imports of cotton goods at, say, 20 millions, an increase of  $1\frac{1}{2}$  per cent. in the customs duty will mean about £ 300,000 or 45 lakhs more to the exchequer, and that would be more than 41 lakhs realized from the excise duties last year. Besides you will have in addition a five per cent. excise on all counts above 30s. produced in this country. There will thus be no loss and probably some gain to the finances of the country by this course. With these observations I beg to support the resolution.

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## IMPORT DUTY ON SUGAR.

*[On 9th March 1911, the Hon'ble Mr. Malaviya moved a Resolution in the Imperial Legislative Council recommending the enhancement of the import duty on sugar. Mr. Gokhale, in moving a friendly amendment to the Resolution, spoke as follows:—]*

Sir, I beg to move the following amendment to the resolution which my Hon'ble friend has proposed:—

That the Council recommends that the Government should order an inquiry by a Committee of competent persons into the present condition of the sugar industry in India with a view to ascertaining what action can and should be taken by the State to save the industry from the threatened ruin.

Sir, I would like to state at the outset that my amendment is a friendly amendment to the resolution. My Hon'ble friend has proposed that the Government should so raise the duty on imported sugar as to enable the indigenous sugar industry to survive the competition to which it is at present exposed. A very small calculation will show that for this purpose a duty of not less than 30 to 40 per cent. will be required, and possibly even a higher rate may have to be imposed. It depends on what kind of sugar you want to protect from the competition of foreign sugar. If it is the sugar manufactured by factories worked by foreign methods, the duty will have to be about 40 per cent. If, however, it is the sugar manufactured by indigenous methods, then the duty will have to go higher, and may have to be as high as 80, 90 or even 100 per cent. Therefore, without expressing an opinion on the proposal made by my Hon'ble friend, I suggest an enquiry into the condition of the industry—and my Hon'ble friend will himself recognize the desirability of this—before his proposal is definitely considered by the Government. What I urge is that the Government should appoint a Committee of competent persons connected with the industry as also representing the Government

and the public to thoroughly investigate the condition of the industry, and to recommend what action may be reasonably expected from the State, and should be taken by the State. Sir, there is no doubt whatsoever that the sugar industry is in a very bad way and that the decline is progressive. There is also no doubt that the imports, especially of Java sugar, have been going up by leaps and bounds. In ten years they have risen from a value of about £ 170,000 to over 4 millions. I think these figures are sufficient to show what enormous quantities of Java sugar are now coming into the country, and to what serious competition the sugar manufactured in India is exposed. Sir, the great German economist, List, points out in one place what happens when a country like India comes into the vortex of universal competition. He says that when a country, industrially backward, with antiquated methods of manufacture, dependent largely on manual labour, comes into the vortex of universal competition—competition with countries which use steam and machinery and the latest researches of science in their production—the first effect is to sweep off local industries, and the country is thrust back on agriculture and rendered almost entirely agricultural for some time. But then, here, he says, comes in the duty of the State. When such a situation is reached, the State, he says, should step forward, and by a judicious system of protection it should foster such industries as are capable of being fostered, so that the country may once again enter on its industrial path with the aid of the latest appliances and ultimately stand successfully the competition of the whole world. Now, Sir, as I pointed out this morning, if we had a potent voice in the administration of this country, I certainly would strongly advocate that the Government of India should follow this advice of List: but as things are, for a long time to come this will not be practicable; and as practical men, we must accept the situation and make the best of it. Personally, therefore, I think that for the present we should ask the State to give only such help to the industry, as it can, without running counter to the principles which are at present in the ascendant in the administration of this country—I mean free trade principles.

Sir, I stated my opinion this morning that I was not sorry that the policy of the State to-day is a free trade policy ; it is the least harmful, it is the safest, and till we are stronger I should not like to see it change. If the Government of India or the Secretary of State had the power to grant protection in the present circumstances, I am not sure that it would be employed in the best interest of the people of this country. I, therefore, personally do not ask for a high protective tariff ; but I urge that an enquiry be first made to find out in what way and to what extent the State can help this industry. Sir, at the Educational Conference which was held the other day at Allahabad, under the chairmanship of the Hon'ble Mr. Butler, this question of the present condition of the sugar industry came up for consideration in connection with the subject of technical and scientific education. And my Hon'ble friend Mr. Mudholkar made at the meeting a number of valuable suggestions, and there was a representative of the sugar industry from the United Provinces, who also stated what the difficulties of the industry were which required to be overcome. It was a most interesting discussion, and I have no doubt that Mr. Mudholkar, who will probably take part in this debate, will state here what he stated to the Conference. It seemed from that discussion that there was a great deal that the Government could do for the industry even if it did not impose a high protective tariff ; in the matter, for instance, of making the services of expert chemists available, in the matter of the terms on which land may be held, in the matter of irrigation and other facilities, and so forth. I therefore suggest that a Committee should be appointed to investigate the condition of the industry and consider what assistance the Government may give in order that the industry may be saved from the threatened ruin. The Committee may also be asked to report if any protective action can be taken by the State, and, if so, what that action should be.

Sir, I think it necessary to point out that in any scheme of protection that may be proposed by anybody, three questions arise, which must be carefully considered.



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The first question is, what will be the difference to the cultivators, if high protective tariff is imposed, and by its means they are kept to their present cane cultivation? And how will they fare if the cane cultivation is allowed to go out, as it is steadily going out at present? We find from Mr. Noel-Paton's recent pamphlet on the subject that during the last 9 or 10 years the area under cane has diminished by more than 8 per cent. and that the area under other crops has correspondingly increased by more than 8 per cent. This shows that the area vacated by cane has been occupied by other crops. The question therefore arises, how the cultivators have fared under this change. If it is found that the going out of the cane and the coming in of other crops have injured the cultivators, it will be a strong argument in favour of the State doing something to prevent this substitution taking place. If it is found, on the other hand, that the substitution has not injured the cultivators, then, so far as the cultivators are concerned, the plea for protection loses a great deal of its force. The Hon'ble Pandit Madan Mohan Malaviya read an extract from a speech by a Lieutenant-Governor of the United Provinces, in which a distinct opinion is expressed that the substitution of other crops would injure the cultivators. If that is so, that would be a strong argument in favour of the Government doing some thing to prevent such an injury to the cultivators; and this is the first question that must be considered in connection with this matter.

The second question is, supposing that a duty of 30 to 40 per cent. is imposed, on whom will it really fall? Roughly speaking, Sir, I look at the question in this way. The poorest classes of this country hardly ever use sugar; they use what we call *gur* or jaggery. We will assume that all those whose annual income is less than Rs. 100 generally use *gur* or jaggery, and that persons above that limit use sugar, using it in greater and greater proportion as you go up. We will further say that to those whose income exceeds Rs. 1,000 a year, it will not much matter if the price of sugar is raised by 30 or 40 per cent. There remains the class whose income is between these two limits

of Rs. 100 to Rs. 1,000 a year—a class that undoubtedly uses sugar and is interested in having it cheap. It is a very numerous class, and it would undoubtedly be hit hard by an increase in the price of sugar. Members of this class use sugar in large quantities not only on ceremonial and festive occasions, but ordinarily; and the bulk of whatever extra duty is imposed will come out of the pockets of this class. Now, a 30 per cent. duty on Java sugar means—the last imports being four million pounds or 6 crores of Rupees—very nearly two crores. A duty like that will therefore take two crores of rupees out of the pockets of this poor class; and, if the cultivators fare neither better nor worse, whether they grow cane or other crops, then the only result of the duty will be that this sum of 2 crores will go to so raise the profits of the manufacturers in India as to enable them to remain in the industry. And this directly brings us to the third question: who will really benefit by a 30 or 40 per cent. duty? I have already observed that a 30 or 40 per cent. duty will not suffice to bring the old indigenous portion of the industry within the line of protection. The factories that will receive the protection are those run on European lines, and it is no use disguising the fact that most of these factories are in European hands and their profits go to Englishmen. Sir, I do not grudge to any Englishman a single penny of the money he may legitimately make; but I think it is a fact, which must be fairly and squarely faced, that by a 30 per cent. duty on sugar we shall take two crores out of the pockets of a poor class whose earnings are between Rs. 100 and Rs. 1,000 a year, and we shall transfer this sum practically to the pockets of English manufacturers of sugar in the country. I do not mean that they will thereby realise any large profits in the industry—probably you will by means of the duty just enable them to remain in the industry; without this bonus, they may have to abandon the industry and devote themselves to something else. But even if the manufacturers realize no more than ordinary profits, the question must be considered—is it just that a sum of two crores should be taken out of the pockets of a poor class and put into the pockets of the manufacturers, to

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enable them to realize ordinary profits and keep up the industry? Sir, I only suggest these points, which strike me as serious, for consideration. I think these questions require to be carefully considered before any action is taken on the lines suggested by my Hon'ble friend. I am not necessarily against all protective action by the State. But I strongly hold that every proposal of protection must be judged upon its merits, and it is for this reason that I suggest this enquiry. With these words, Sir, I move my amendment.

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## EMPLOYMENT OF INDIANS IN THE PUBLIC SERVICE.

*[On 17th March 1911, the Hon'ble Mr. Subba Rao moved a Resolution in the Imperial Legislative Council recommending the appointment of a Commission of officials and non-officials to consider the claims of Indians to higher and more extensive employment in the Public Service connected with the civil administration of the country. Mr. Gokhale, in supporting the Resolution, spoke as follows :—]*

Sir, before I say a few words on the resolution which my Hon'ble friend has brought forward, I would like to offer him my congratulations on the industry and care with which he has prepared his case and the ability with which he has presented it to the Council. Sir, this question is undoubtedly one of great importance, and, like all questions of great importance, it is beset with great difficulties. I am anxious to approach it with as much fairness as I am capable of, because there are undoubtedly two sides, and while I am keen that the aspirations of my countrymen should receive fair and reasonable recognition from the Government, I should be very unwilling not to recognise at the same time the difficulties that lie in the path of the Government in dealing with this subject.

Sir, one of the fundamental conditions of the peculiar position of the British Government in this country is that it should be a continuously progressive Government. I think all thinking men, to whatever community they belong, will accept that. Now, I suggest four tests to judge whether the Government is progressive, and further whether it is continuously progressive. The first test that I would apply is what measures it adopts for the moral and material improvement of the mass of the people, and under these measures I do not include those appliances of modern governments, which the British Government has

evolved in this country, because they were appliances, necessary for its very existence, though they have benefitted the people, such as the construction of Railways, the introduction of Post and Telegraphs, and things of that kind. By measures for the moral and material improvement of the people, I mean what the Government does for education, what the Government does for sanitation, what the Government does for agricultural development, what the Government does for industrial development, and so forth. That is my first test. The second test that I would apply is what steps the Government takes to give us a larger and larger share in the administration of our local affairs—in municipalities and local boards. My third test is what voice the Government gives us in its Councils—in these deliberative assemblies, where policies are considered; and lastly, we must consider how far Indians are admitted into the ranks of the public service.

Now, Sir, as regards the first test, I believe that is what one feels to be in the air—I believe that we are on the eve of important measures being taken by the Government, and in those measures both the officials and non-officials can and should heartily co-operate with one another. As regards the second, I trust that, as a result of the Decentralization Commission's labours, a further advance will soon be made. A fair beginning has already been made, and when we have a further advance in the same direction, we might be expected to remain satisfied with that for some time. As regards deliberative assemblies—the Provincial and Imperial Councils—the reforms that have recently been introduced constitute an important advance, and for some time, therefore, that question may rest there. When, however, we come to the last question, we strongly feel that the time has come when something must be done to improve matters, and I hope something will soon be done. Sir, I have already observed that the Government has to be a continuously progressive Government, and that it cannot afford to rest on whatever it has done in the past in any one of these directions. Now taking this question of the employment of Indians in the higher ranks of the public service, which I admit is a very

difficult question, I would like to refer briefly to what my Hon'ble friend Mr. Subba Rao has already pointed out, namely, that there are four or five distinct landmarks in regard to this matter in the history of British rule. In 1833, when Parliament laid down that there should be no distinction of race in making appointments to the public service in this country, the British nation gave a noble pledge to the people of this country of its own accord. There was no agitation here at that time—in fact, there was hardly any Western education. It was a great pledge to give, and it was given by the British nation spontaneously. The next landmark is 1854, when the competitive examination was thrown open to Indians along with Europeans. The old Haileybury system was abolished and competition was introduced, and it was thrown open to all. The Queen's Proclamation of 1858 constitutes the next landmark. Even then there was no agitation for a wide employment of Indians in the public service for the simple reason that the Universities had not then been established, and there was no large educated class. In 1861, when the Secretary of State appointed his Committee, to which my Hon'ble friend has referred, it was again more the conscience of the English people than any demand made from this side that led to the appointment of that Committee. When the Act of 1870 was passed—that is the next landmark—there was some public opinion here, and a few Indians—notably Mr. Dadabhoi Naoroji—had been agitating in England for the admission of Indians to high office; but even then, the main part of the work was done by Englishmen, by English friends of our aspirations, who felt that the arrangements existing at that time were not quite just to the people of India. When, however, the Public Service Commission was appointed in 1886—that is the next landmark—the position was much altered. By that time a large educated class had come into existence, and that class keenly felt its own exclusion from the higher ranks of the Public Service. The Commission was appointed with the declared object of devising means for the larger admission of Indians in these ranks, and as the results of the Commission's labours have, on the whole, been disappointing,

there is no doubt that that constitutes a legitimate ground of complaint for the people of this country.

Sir, it is interesting to note at what intervals these successive steps in advance were taken. From 1833 to 1854 or 1858, whichever you take, there was an interval of 20 or 25 years. From 1858 to 1870, when the next step was taken, there was an interval of 12 years. In 1886, when the question was again examined, it was after an interval of about 16 years. Since then, however, there has been no inquiry—that means during a period of 25 years—and that is one reason why I urge that the resolution of my Hon'ble friend should be adopted. It is true that during the last three or four years some very striking appointments to high office have been made. My friend, Mr. Ali Imam, sits on that bench there; two Indians sit in the Secretary of State for India's Council; an Indian recently held the position of Advocate-General at Calcutta, and Indians have even been appointed to act as Chief Justices of different High Courts. These striking appointments have no doubt impressed the imagination of the people, and there can be no question that they are deeply appreciated by my countrymen. But our grievance is in regard to the bulk of appointments in the higher rank; and that grievance is not really touched by these appointments. And so far as that grievance is concerned, the labours of the Public Service Commission resulted in little substantial improvement for us in practice. And indeed in some departments, the position has been rendered actually worse. My Hon'ble friend, Mr. Subba Rao, has pointed out how in regard to the central Civil Service, the recommendations of the Public Service Commission and the orders passed by the Secretary of State on those recommendations have actually put us back, compared with the Statutory Service Rules of 1879. The rules of 1879 gave us one sixth of the total recruitment of Civilians for the country. Now, taking the cadre at about a thousand posts—it may be a few more or a few less—we should have had about 160 Indians, under those rules, in the central Civil Service. The Commission, however, recommended only 108 posts for us in place of 160, and the Secretary of State

cut the number down to 93; and that is the number we have at present. I believe even the whole of these 93 are not yet held by Indians. I think we are about 10 short of what the Secretary of State promised at that time leaving out of account the additions made subsequently for Burma and Assam. Now, Sir, the Secretary of State's orders were passed in about 1890 or 1891, and twenty years have elapsed since then. If for nothing else, at least for the fact that it is now 25 years since the appointment of the Public Service Commission, and 20 years since the Secretary of State passed his orders on the recommendations of that Commission, I urge that there should be a fresh enquiry into the whole matter. But, Sir, I say something more. I say that as a result of the labours of the Public Service Commission, the position of Indians in many branches of the Public Service has actually been rendered worse, and that should now be set right. In the first place, Sir, the Public Service Commission recommended that there should be a division of the Public Service into Imperial and Provincial. Now that was a most unfortunate recommendation. I am quite sure that the President of the Commission—the Lieutenant-Governor of the Punjab of that time—a man of broad sympathies, undoubtedly did not want to put the Indians back; but the result actually has been to put us back, and this for two reasons. First, there is a stamp of inferiority on the Provincial men, and they are bound to feel that. Secondly, if you have these artificial divisions of Imperial and Provincial, the abler men in the Provincial Service—I mean those who are abler even than some of the men in the Imperial Service—cannot help feeling that the arrangement is most unjust to them. I am, therefore, strongly of opinion that this division between Imperial and Provincial must go. I hope it will go soon, and unless it does we shall have to bring up this matter again and again before this Council. Then, in two departments particularly, this division between Imperial and Provincial has done greater harm to us than in other departments—I mean the Education and the Public Works Department. In some of the other departments, the creation of a Provincial Service has to a certain extent improved the prospects



of Indians, so far as mere numbers are concerned, because there were hardly any Indians employed in those departments before and the constitution of the Provincial Service has given them some chance there. But in the Education and Public Works Departments, we have suffered a great set-back. In the Education Department, for instance, Indians were on terms of equality with their English colleagues before the creation of a Provincial Service. The scale of salary was, no doubt, two-thirds, but in other respects they were on equal terms. But they have now been put into a distinctly subordinate position and we see on every side the most flagrant cases, which hurt everybody. Thus we find men of most distinguished attainments in the Provincial Service simply because they are Indians, and men who passed their examinations only yesterday, and who have so far earned no distinction by their work, in the Imperial Service, simply because they are Europeans. I will give only one instance. There is a gentleman here in Calcutta, named Dr. P. C. Ray, a most distinguished man of science, a man who has been honoured by French and German *savants*, a man adored by his pupils, a man who has been doing original work for the last 20 years and more. But he is still in the Provincial Service, whereas young men, fresh from College, without any original work to their credit, men who are admittedly his inferiors, are brought out to this country and put over his head, simply because he happens to be in the Provincial Service and they are brought out as members of the Imperial Service. Now, Sir, this sort of thing hurts not merely the men who are actually affected by it, it hurts the students studying under them. In other departments any injustice done to an Indian official concerns that official only. In the Education Department it affects the students as well; the bitterness passes from the professors to the students, and the whole student community comes to be affected by it.

Take again the Public Works Department. At one time Indian and European Engineers were all on terms of absolute equality not only as regards status but even as regards pay. In 1892, differential rates of pay were

introduced for the first time—two-thirds pay for Indian Engineers. Now under the new organisation scheme, the status of the Provincial Engineers is reduced still further, for they are now to be put on a separate list. Thus, in this Department, we were at first on terms of absolute equality with Englishmen. Then our pay was reduced to two-thirds, though in regard to other matters equality was maintained. Finally, it is now decided to do away with this equality by putting us on a separate list altogether. And not only is this applied to new men but a most unjust and unjustifiable attempt has been made to apply it to old men, recruited since 1892. There are about 100 men who are the victims of this gross injustice. There is the definite word of the Government pledged to them in 1892 that they would be on the same list as the Imperial Engineers, and yet it is proposed now to put them on a separate list—a distinct breach of faith. These men have not yet accepted the arrangement, three years have passed, and they have so far got no redress. The Secretary of State is still waiting for the despatch of the Government of India which should have gone long ago. I asked a question the other day on the subject, and the Hon'ble Mr. Carlyle gave an answer, in which I see an element of hope. I, therefore, will not press this question further to-day, but, if necessary, I will bring a resolution on this subject at Simla.

I urge then, first of all, that this distinction between Imperial and Provincial must go. The second respect in which we have lost ground since the last Public Service Commission is in regard to competition. Gradually competition has been abolished more or less throughout the country and we are now made to depend almost exclusively upon Government nomination, pure and simple. Now, I am quite alive to the defects of competition as a method of filling Government offices. Of course it is not ideally the best method, but I contend that it is the best method available. In a country like this, governed by Englishmen, who are unfamiliar with our ways, and cannot instinctively understand the difference between one individual

and another, they are at times apt to be misled by appearances, by recommendations and by a lot of other considerations owing to the very peculiarity of their position. And I submit that competition, with all its defects, is any day better than nomination, pure and simple. An Englishman, judging of English candidates, may dispense with competition, because there is a great deal of initial knowledge that may be taken for granted on account of their belonging to the same society. Here the individuals belong to different societies and that initial knowledge is lacking, and nomination, I contend, is bound to lead to abuses—haphazard selection and favouritism. My second point, therefore, is that competition must again be restored for making selections for Government service.

I will now say a word about one or two other Departments. I have said that in the Public Works and Education Departments, our position has grown worse. In the Medical Department, while it has not grown worse, it is still most unsatisfactory. The professorships are all the monopoly of the Indian Medical Service Officers and the hospitals are closed to all non-service men. Recently they have thrown open the Professorship of Anatomy in the Calcutta College to non-service men, but the moment it is thus thrown open to non-service men, it is rendered altogether unattractive. There used to be a pension attached to this post till now, and private practice was hitherto allowed; but it is now declared that there is to be no pension, there is to be no private practice, and the new man will get no house allowance, when every one else is getting it. Thus the moment the post is thrown open to non-service men it is made altogether unattractive for our best men, and I would like to have an explanation as to why this has been done. Take again the question of the Chemical Analysers in Bombay and Karachi. Some years ago, the Secretary of State decided that these appointments should not be the monopoly of the Indian Medical Service. And there is a distinguished man in Bombay available for these appointments to-day, doing for years the work of Assistant Chemical Examiner. Indian Medical Service men, appointed as Chemical Analysers,

receive their training under him, and then they are put over his head. I understand the Government of Bombay is anxious to help this gentleman; but the matter rests with the Government of India, and somehow his ability and record of services receive no recognition from them.

Lastly, I come to the Department of Railways. I am not going into the question in detail to-day, because my friend the Hon'ble Mr. Mudholkar has already dealt with it exhaustively. Here we are almost entirely excluded from all higher appointments, and I hold that this is absolutely indefensible. It cannot seriously be contended that Indians are not fit for any place in the Railway Administration above Rs. 200 a month, when you can put them on the Government bench there, make them Chief Justices of High Courts or entrust them with the management of districts and divisions. To those who speak of such unfitness, I would like to mention an interesting episode. It refers not to the Railway Department, but to another Department—the Survey Department—but the principle is more or less the same. Not many years ago, there was a controversy about the position of Indians in the Survey Department, and it was contended very vigorously by the champions of European monopoly that Indians were not fit for the work, and that therefore they should be kept out. Unfortunately a report, submitted by Colonel Du Pre, who was then the head of the Survey Department and who was a strong advocate of Indian exclusion, came to be published, and this is what he was found to say in that report:

I may here remark incidentally that my numerous late inspections show me that the tendency of the European surveyors is to stand and look on, while the natives are made to do the drawing and hand printing, as if they thought themselves quite above that sort of thing. This is a mistake and cannot be permitted for the future. Besides, it is suicidal for the Europeans to admit that Natives can do any one thing better than themselves. They should claim to be superior *in everything*, and only allow Natives to take a secondary or subordinate part. In my old parties, I never permitted a Native to touch a theodolite or an original computation, on the principle that the triangulation or scientific work was the prerogative of the highly paid European, and this reservation of

the scientific work was the only way by which I could keep a distinction, so as to justify the different figures respectively drawn by the two classes—the European in office time and the Native who ran him so close in all the office duties as well as in field duties. Yet I see that Natives commonly do the computation work, and the Europeans some other inferior duties.

Sir, I beg, with all respect to make a present of this extract to the Hon'ble Sir T. Wynne! One word more, and I have done. Sir, I have admitted that the question is a difficult one, but what I urge is that there should be continuous progress. Nobody urges that the English element should be withdrawn suddenly or even largely, but unless Indians are introduced into the higher ranks in larger and larger numbers, the discontent which the Government are anxious to remove is not likely to disappear. With these words, I strongly support the motion which my Hon'ble friend has brought forward.

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## THE INDIAN FACTORIES AMENDMENT BILL.

*[On 21st March 1911, Mr. Gokhale moved in the Imperial Legislative Council an amendment to the Indian Factories Bill as amended by the Select Committee, making it obligatory on every factory employing more than twenty children to maintain an elementary school and provide them with free and compulsory instruction. In support of his amendment, he spoke as follows :—]*

Sir, I beg to move that to clause 23 of the Bill as amended by the Select Committee, the following sub-clauses be added :—

(1) Every factory, in which more than twenty children between the ages of nine and twelve are employed, shall maintain an elementary school in proper condition for their benefit, and attendance at such school for not less than three hours every working day shall be compulsory in the case of each child so employed.

(2) No fees shall be charged for the instruction given in such school.

Sir, I urge this amendment on the broad grounds of justice and humanity. The plea of justice is based on three considerations. In the first place, the very fact of the employment of these children in these factories disables them from availing themselves of the ordinary facilities that exist for receiving instruction at school. They have to be in the factories for certain stated hours and therefore they cannot suit themselves to the hours during which they can receive instruction in ordinary schools. Secondly, under what is known as the split shift system, their presence in the factories is not confined to the actual hours during which they have to work; but they are expected to be about the factories, on the premises or somewhere near by, because their work is divided into two parts and they have to do part of the work in the morning and the other part in the afternoon. Therefore, the total time for which they must be present in or near

the factories is really much longer than the actual period for which they have to work. And thirdly, the parents of most of these children are employed in the factories, and being so employed they are prevented from exercising that supervision over their children which ordinarily they might be expected to exercise. Therefore, Sir, on these three grounds of justice, I urge that the factory-owners should be made responsible for the education of these children. This is only fair, because the factory owners make money out of the children, make money also out of the children's parents, and further work in their employ makes it impossible for the children's parents to exercise that supervision over the education and other interests of the children which they might otherwise have exercised.

Then, Sir, I urge my proposal on the ground of humanity. The sole justification for a measure like this is its humanity, and humane considerations must apply most to that section of the labouring population which is least able to take care of itself. Now, children are obviously the least able to take care of themselves, and therefore, if humane considerations are to apply anywhere and the State is to extend its protection on humane grounds to any section of the labour-population, that ought to be in the case of children. If the children are to be left to themselves, if after six or seven hours' work has been exacted from them they are to be turned into the street there to get into the ways of mischief—without anybody to look after them, their parents being engaged in the factories—then I say the humanity on which the State bases itself in introducing this legislation is not extended to the children.

I think, therefore, Sir, that some provision ought to be made for the education of the children employed in factories, after they have performed their work. The half-timers are between the ages of 9 and 14; I am quite willing that the provision to be made should be for children between the ages of 9 and 12 only. Of course, it is true, as the last Factory Commission has pointed out, that there is no compulsory education for anybody in this

country. It is also true that the Commission has expressed itself against compulsory provision for the education of factory children; but even so, the Commission has recommended very strongly that something should be done to ensure the education of these children and that local bodies and the Government and the factory-owners should all concert measures together for the purpose. The earlier Factory Commission, however—that of 1890—is emphatic in its recommendation that provision ought to be made for the education of the factory children, and I prefer its recommendation to that of the latter Factory Commission. This is what the earlier Factory Commission, which first provided that children should be employed as half-timers only, recommended:

If our suggestion that children should be employed as half-timers is adopted, it will be found most important to provide some means of instruction during two or three of the spare hours that the children are off work. It is not for us to discuss here the advantages of elementary education, and general control and supervision of the rising generation of operatives. These are too obvious to require any advocacy from us. What we would say is that Local Governments and municipalities should meet mill-owners half-way and, as is done in regard to children under other circumstances, contribute half the cost of teaching factory children. Supposing, for instance, that a mill, employing 100 children, spends 16 rupees a month for two teachers; the Municipality or Government should double this subscription and provide two or more teachers. Looking at it from a pecuniary point of view, the expenditure is so trifling that we cannot doubt that schools would be started without delay in connection with all mills employing a large number of children. It was not to be expected that schools started under the present circumstances could be a success. For it is impossible that a tired and jaded child (there was no class of half-timers before 1890) can work his brain to any useful purpose after his body has been thoroughly worn out with physical exertion.

Then, Sir, our friend, the Hon'ble Mr. Fremantle, in a very interesting report which he submitted some time ago to the Government of the United Provinces on the condition of labour in Upper India, takes up this question and makes a very strong recommendation. I think he puts the case so well that I cannot do better than read to the Council what he says:

The first step, says Mr. Fremantle, is to compel observance of the law as to the employment of children. When the children



are really employed for only half the day, their parents will, as a rule, be only too pleased that they should be under instruction for part of the rest of the time. The schools might be maintained by the mill managers on their premises and partly supported by grants-in-aid. With proper inspection, there should be no risk of the instruction given being insufficient. Later, if the school became popular, it might be possible to provide by law that no boy or girl under 14 should be employed in a mill unless he or she were under instruction. If this were the law, it would not be the first attempt at compulsory education in India. The Gaekwar has introduced it in parts of the Baroda State, (so it is not only I who refer to the analogy of what the Gaekwar has done ; sometimes officials also do the same thing ;) ' and the East Indian Railway Company in their fine estate of Giridih enforce attendance at school with excellent results. In Ceylon ' (here, again, we have an official mentioning the example of Ceylon) wherever there are Government schools, education is compulsory, and the Commission on Elementary Education which sat recently recommended that planters should be held responsible for the instruction of the children of their Tamil coolies. Managers of mills and factories in Upper India have never yet had their attention specially directed to this matter, and it is quite time that a beginning were made.

What Mr. Fremantle says about managers in Upper India applies equally to managers all over the country. Sir, it is true that on the Bombay side some of the mills have made attempts to provide educational facilities for the children employed in those mills ; but the last Commission has come to the conclusion that these facilities were not efficiently provided, and very often they were only a thin disguise for keeping the children on the premises in order that they might be worked more than half time. One essential condition, therefore, in connection with any educational facilities offered is that there must be efficient supervision and that supervision must be provided by the Education Department or whatever body it is that inspects and supervises local schools. But I think, Sir, the first thing to do in this matter is to throw a definite responsibility on factory-owners. It is not an unfair thing to expect, as I have pointed out, that the factory-owners, who make money out of the children, should hold themselves responsible for the education of those children. Of course, it is only fair that the Government and the local bodies should come to the assistance of the factory-owners ; the cost may be divided among the three bodies

—the factory-owners, the local body concerned and the Government—in such proportions as may appear to be most equitable; but somebody must first be made responsible for the education of these children, and I think it should be the factory-owners. Even though there is no general compulsory law in India, it is necessary that there should be special provision for factory children for the simple reason that these children are disabled from availing themselves of the ordinary facilities that exist. I therefore trust that the amendment which I have moved will be accepted by this Council.

*[Replying on the debate which ensued Mr. Gokhale spoke as follows :—]*

Sir, I quite understand the position of the Government and I really did not expect that the Government would do more than urge on the Local Governments the necessity of looking into this matter and doing what they could to secure reasonable facilities for the education of children employed in factories. Sir, the whole question has to be considered from a higher standpoint than that which has been taken by some of the speakers who have criticised my proposals. My Hon'ble friend Mr. Dadabhoj expresses the fear—and I am surprised to see that the Hon'ble Mr. Clark concurs in that—that if educational facilities are provided for children employed in the factories, the evil of children being overworked will be facilitated. As a matter of fact, I think, if that is done, the evil will be reduced, because children will be definitely engaged in school, instead of merely loitering about, doing nothing. Of course, I insist on the essential condition that there should be efficient supervision; and if efficient supervision is provided, there would be no risk whatever. It is when there is no school, and the children are asked to remain on the premises or close by the factories, that unscrupulous managers would find it easy to get them to work for longer hours than the law allows, under one pretence or another.

As regards the Bill, to which Mr. Dadabhoj has made reference, let me point out that the Bill has not yet

become law and it will have to encounter such opposition as my Hon'ble friend offered to some of the provisions the other day, before it becomes law; and until it becomes law, it is no use speaking of it as if it was law. Moreover, even if my Bill passes, its application will depend upon the discretion of local bodies, whereas if this amendment is accepted automatically wherever there is a factory population of children, schools will come into existence. Again, my Bill provides only for children between the ages of 6 and 10, whereas this amendment urges that facilities should be provided for the education of children up to 12. At present children from 9 upwards can be employed in factories; if my Bill becomes law, the age limit of employment will be raised by one year, as was proposed this morning by my Hon'ble friend Mr. Quin.

The Hon'ble Mr. Madge spoke of the corpse of my Bill being resurrected in this amendment. The expression used by him suggests a hope on his part that my Bill is dead. Well, we shall see about that. Sir, my object in bringing forward this amendment was to emphasize the necessity of the Government attending to this matter, and to present to the Council the view which I have submitted. That object has been attained by this discussion, and as the Government are unable to accept my amendment, I do not wish to press it.

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## TAXABLE MINIMUM OF INCOME.

*[On 27th February 1912, the Hon'ble Mr. Dadabhoi moved a Resolution in the Imperial Legislative Council recommending that the minimum of income assessable to the Income-tax be raised to Rs. 1,500 a year. Mr. Gokhale made the following speech on the occasion :—]*

My Lord, I agree with my Hon'ble friends Mr. Subba Rao and the Maharaja of Burdwan that the Hon'ble Mr. Dadabhoi has not selected an exactly opportune moment for the discussion of this question. Not only are we on the eve of the extinction of our opium-revenue, but even taking the date on which this discussion comes up, we are now only within a week of the introduction of the next Financial Statement. I think it would have been much more convenient if the discussion had taken place at any rate after the Financial Statement had been introduced, because then we should have known exactly how we were likely to stand next year. My Lord, a definite proposal for a remission of taxation can at any time be justified only on two grounds: first, that the condition of the finances of the country is so prosperous that some sort of remission is possible; and, secondly, that there is unquestionable hardship caused by a particular impost. Now as regards the first, *viz.*, the condition of our finances, I think its prosperity is a matter which is open to very serious doubt. Only the year before last, the Hon'ble Finance Minister imposed fresh taxes on the country, because, in his view of things, the revenue then raised was not sufficient for the requirements of the State. It is true that last year there was a surplus and possibly, owing to the extraordinary circumstances of the year that is about to close, there will be another surplus announced next month. But to determine if a margin of revenue over expenditure is available so as to remit taxation, we must take a larger view of our finances than what would be obtained if we confined our attention to one or two years.

only. Very probably in 1913, if the opium-revenue is really extinguished, our finances will pass through a very trying time. I do not think, therefore, that any proposal involving remission of taxation should be seriously considered by this Council until we know where we stand so far at least as our opium-revenue is concerned. But apart from that, there is expenditure, and large expenditure, required in various directions. There is the question of mass education to which an Imperial grant of 50 lakhs a year has already been promised, and which, I hope, will grow more and more as year follows year. There is also the necessity of providing money for sanitation, and then I think one of the great needs of the country is that there should be larger grants-in-aid regularly made to Local Bodies to enable them to perform their work satisfactorily. I think, therefore, that even if it is found that a surplus of revenue exists over the expenditure of the country when the next Financial Statement is introduced, there are so many directions in which that surplus could be usefully spent, and remission of taxation is not the only form in which it can be employed to the advantage of the people. But I will put these considerations aside, and take up the other question, *viz.*, whether this impost causes an unquestionable hardship to the class for whom my Hon'ble friend Mr. Dadabhoy has spoken to-day. Now, my Lord, there is no doubt that, from one point of view, all imposts are burdensome. If every tax is to be discussed solely from the standpoint of those who pay it, I do not think that there will be any tax which will escape adverse criticism. But the State has to look at it from another standpoint. The State has to look at the whole scheme of taxation, first, from the standpoint of its own necessities, and, secondly, from the standpoint of the comparative ability of the different classes to pay their particular share of the total revenue raised from the community. Now, judged by this standard, I really do not think that the class for which my Hon'ble friend seeks a remission has any substantial grievance. It is true that our minimum taxable limit is Rs. 1,000 a year, whereas in England, as my friend has pointed out, it is £ 160. But we must take into account

the different money-values in the two countries—a point which Mr. Dadabhoy has ignored altogether. From that point of view a man who earns a thousand rupees a year here is really better off than one who earns £ 160 in England. My Hon'ble friend's chief argument in favour of his motion is the rise in prices that has taken place since 1903. It is true that there has been a serious rise in prices in recent years, and that must hit hard every buyer of commodities. But have the necessities of the State diminished? If not, how can the burden of taxation be reduced merely because prices have risen? Again, if there is a real surplus, which can be devoted to a reduction of taxation, which class is most entitled to relief? These are the questions which have to be considered, but which my Hon'ble friend has not considered. He compares present prices with those of 1903. But he takes no account of the remissions of taxation which have been made since 1903, and from which the class for whom he has spoken has benefited along with other classes. Thus the salt-duty, which was two rupees a maund in 1903, has been reduced by two successive remissions to one rupee a maund and this fact must be taken into account in making a comparison. My friend has quoted an extract from Lord Curzon's speech, claiming that Lord Curzon promised to raise the minimum limit of the income-tax to a higher figure when the circumstances of the country permitted it. Now I was in the Council at that time, and I am quite sure that that was not the idea present in Lord Curzon's mind. What he had in his mind was that the salt duty would be further reduced, and that promise has been liberally carried out by the Government by two further reductions.

In judging of the comparative ability of different classes to pay, the point to be really considered is whether the scheme of taxation, taken as a whole, hits any one class harder than any other class. Now from that standpoint I have no hesitation in saying—and I have urged this view again and again in this Council—that the poorer classes of this country bear really a larger burden than the class to which my Hon'ble friend has referred or the classes above them. The upper and the middle classes of

the country contribute really much less to the Exchequer than our poor classes relatively to their resources. We have only to glance at the various heads of our principal revenue to see that this is absolutely correct. Our revenue is mainly derived from land, salt, excise, (opium I will leave out, as the opium revenue is contributed by the foreign consumer), customs, stamps, registration, assessed taxes, forests and provincial rates. Now the land-revenue—in raiyatwari tracts at any rate—is largely contributed by very poor people. It is an open question whether this revenue is rent or tax. My own view is that it is partly rent and partly tax. And to the extent to which it is a tax, its burden in raiyatwari tracts falls on very poor people. Then take salt. The burden of salt-revenue falls the heaviest on very poor people. Of course every class consumes salt, but the bulk of it is consumed by the masses of the people. It is the same thing with excise-revenue; the bulk of the excise-revenue comes from the pockets of very poor people. The class for whom my friend has spoken does not use country liquors and therefore it pays nothing to the State under the head of excise. Then under stamps and registration, the poorer classes contribute, relatively speaking, much more than the class whose annual income is between one thousand and fifteen hundred rupees. Under customs, too, the poorer classes bear their share of the burden, though here probably the classes above them contribute more. Under forests, they have to pay for their fuel and the grazing of their cattle. It is only the income-tax from which they are free, but taking the whole scheme of taxation, I maintain that their share of the burden is relatively much heavier than that of the middle and upper classes. No clear case, therefore, has been made out for giving special relief just now to the class mentioned by Mr. Dadabhoy. There are, however, one or two suggestions which have come from my Hon'ble friend with which I am in agreement. I think that while the minimum taxable limit might be kept at Rs. 1,000, the principle of abatement should be introduced into this country. It is a just principle and is found in operation in many civilized countries; and I think it is only just that there should be some abatement granted to those who are just above the

minimum limit. I think those whose incomes are between Rs. 1,000 and Rs. 1,500 or Rs. 1,000 to Rs. 2,000 should have some reduction made as regards the amount on which the tax is assessed. Then I also agree that in the case of joint stock companies or those who have an income of Rs. 50,000 a year, there might be a little higher rate of taxation. I do not think that that will hit anybody much, but will make up to some extent for the loss that will be occasioned by the granting of abatements in the case of those whose incomes are between Rs. 1,000 and Rs. 2,000. I also agree with my friend the Hon'ble Mr. Subba Rao that the chief grievance in connection with the income-tax is the manner in which the tax is collected. The assessments are notoriously haphazard, and there is no real relief in the shape of appeals, as they are now heard. Some better machinery has got to be devised in order to give relief to those—and their number is large—who suffer from the vagaries of the assessing officers. If that were done, and if the principle of abatement were introduced with a higher rate for those who are above a certain limit, I think the requirements of the situation would be largely met.

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## LORD INCHCAPE'S INQUIRY.

*[On 23rd February 1912, Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council recommending that all available papers and correspondence relating to Lord Inchcape's Inquiry be laid on the table of the Council, spoke as follows :—]*

My Lord, I beg to move—

That this Council recommends to the Governor General in Council that all papers and correspondence relating to the appointment of Lord Inchcape to conduct his present inquiry into the Railway Administration of India, which may be in the possession of the Government of India, be laid on the table of the Council.

Hon'ble Members have no doubt read in the papers that last month an inquiry was held here into certain matters connected with the Railway Administration of this country by Lord Inchcape, with the assistance of a Conference attended by the Chairman of the Railway Board and other officers of Government on the one hand and by the Agents and some of the Directors of the several railway companies on the other hand. Now there are several points connected with this inquiry which appear to be shrouded in obscurity and need clearing up, and my object in bringing this question before the Council to-day is to invite the Government to throw what light they can on those points. One unfortunate circumstance connected with this affair is that the public have been left to pick up what information they could entirely from unofficial sources, from articles and paragraphs in newspapers. From beginning to end there has been absolutely no official statement of any kind on the subject. Towards the end of last year, a paragraph went the round of the Press, and that was the first intimation we had of this inquiry, that Lord Inchcape was coming out to India this cold weather to look into certain matters that had arisen between the Railway Board and the Railway Companies. As, however, there was no official announcement of the appointment,

many of us naturally thought that the paragraph only represented an attempt on the part of some clever journalist to anticipate events, intelligently or otherwise. At the beginning of this year, however, we were told again by the newspapers, that Lord Inchcape had actually arrived, and later on that he had set about making arrangements to hold his inquiry. Then we saw—this too in the papers—that a Conference was held, to which I have already referred—a Conference at which the Hon'ble Mr. Clark was present as an interested visitor and which was attended by the Hon'ble Sir James Meston with a sort of a watching brief on behalf of the Finance Department. Finally, my Lord, we learnt yesterday from the newspapers that Lord Inchcape had completed his labours and was going to submit his report to the Secretary of State by last evening's mail. Now the first question that arises in this connection is, why was no official statement made at any stage of these proceedings on this subject? Government very rightly issue Press notes now on many matters, either to supply information or to remove misapprehensions. Only the other day a Press communique was issued by the Education Department, correcting a mis-statement that had found its way into the columns of the papers that out of the 50 lakhs of Imperial grant to Education announced at Delhi, 12 lakhs had been assigned to Bombay. If it was thought necessary to set right a mis-statement of that comparatively minor character by means of a Press communique, I really do not understand why no Press communique was ever issued on this subject of Lord Inchcape's inquiry. It cannot be said that there was no adverse criticism on the subject in the Press. So far from that being the case, many Indian newspapers, and at least two Anglo-Indian papers, the *Indian Daily News* of Calcutta and the *Times of India* of Bombay, had passed very strong criticism on the whole proceeding, the criticism of the *Times of India* being the most direct and the most powerful. My first question, therefore, is, why was no official statement of any kind issued at any time on the subject so as to prevent or remove misapprehensions in the public mind? My second question is, what was exactly Lord Inchcape's

position in this inquiry? It has been suggested—I have seen it in the papers, I think it was in the *Indian Daily News*—that Lord Inchcape had come out to this country as a sort of a plenipotentiary from the Secretary of State; and the *Times of India* spoke of Lord Inchcape's 'mission' in connection with railway matters. The impression left on my mind, after carefully reading what has appeared in the papers, is that Lord Inchcape undoubtedly came with a large and undefined discretion, the terms of reference not being fixed and the scope of inquiry not being settled beforehand. Now I want to know if this is true, and if so, whether any representation was made by the Government of India to the Secretary of State in regard to this matter. The next question that arises is, if Lord Inchcape really came out like this with an unfettered discretion, what was the position of the Government of India in the matter? No one recognises more than I do the importance and necessity of Parliamentary control over Indian affairs, and that control, we all see, can be exercised only through the Minister who is responsible to Parliament for India. And no one questions the Secretary of State's competence to order an inquiry in regard to any affair connected with the administration of India. What I contend, however, is that such inquiry must be through the regular channel. If a Royal Commission is appointed, the Commission would necessarily report to the King; but if a Committee is appointed or an individual deputed to make any inquiry, it is only right and proper that the report of such a committee or individual should be submitted through the Government of India. If what we have read in the papers be true, namely, that the report of Lord Inchcape has been sent direct to the Secretary of State, I wish to ask why this clearly irregular procedure has been adopted; also if there has been any protest against this on the part of the Government of India as a whole—for the procedure adopted is calculated to lower the Government of India in the eyes of the people—or on the part of the Industry and Commerce Department, or on the part of the Finance Department. I can call to mind three instances where individual experts selected by the Secretary of State came out to this country to advise the Govern-

ment. But they were appointed either at the instance of the Government of India or in consultation with that Government. Thus Sir Hamilton Frere-Smith came out to inquire into the condition of factories; Mr. Robertson came out to inquire into our Railway Administration; and Mr. Newlands came out to enquire into the working of the Telegraphs. But in all these cases, though the appointment was made by the Secretary of State, it was made either at the instance of, or in consultation with, the Government of India; and these individual experts submitted the results of their inquiry to the Government of India in the first instance, which the Government of India then forwarded to the Secretary of State, as they always do in all important matters. I believe the forthcoming inquiry by Sir William Nicholson's Committee will also proceed on similar lines, and the report will be submitted through the Government of India and not to the Secretary of State direct. If the Secretary of State is to send out an officer of his own or a private individual—and Lord Inchcape is only a private individual now—to make an inquiry into matters of administration, independently of the Government of India, and if the results of such inquiry are to be communicated direct to him, I must say that this would be a dangerous innovation, opening the door wide to serious complications, and unless a protest is made in time both by the Government of India and by this Council against proceedings of this character, I am not sure that harm—and serious harm—will not be done in future even if no harm has been done in the present case.

My Lord, there is one more point in this connection, about which I wish to say a word. It is a matter of common knowledge that the relations between the Railway Board and the Railway Companies have not been very smooth for the past two or three years, because the Railway Board has tried to tighten its control over the Railway Companies mainly in connection with the growth of working expenses. Well, the Railway Board in its turn has responded to pressure put upon it, first, by the Finance Department, and, secondly, by the criticisms that have been offered here by non-official Members in the

matter. I rejoice that the Railway Board is now exercising a firmer control over the companies, and I earnestly hope that it will become even more stringent in the future. If, however, such control is felt to be a grievance by the Companies, the proper way to deal with the grievance is to order a regular inquiry into it. One cannot help thinking—and I base myself only on what has appeared in the papers—that the powerful Railway Companies, with their influential Directorates, and their comparatively easy access to the Secretary of State in London, have succeeded in inducing the India Office authorities to send out Lord Inchcape so that matters might be made easier for them. Of course I have no official authority for making this statement, because nothing is known authoritatively, but this is the impression left on my mind by all that has appeared in the papers on the subject. Now in a matter of this kind, it is not the interests of the Companies only that have to be considered, but the interests of the taxpayers also must be taken into account, and the interests of the taxpayers are represented in this controversy first by the Finance Department and next by the Railway Board. Moreover, it cannot be said that Lord Inchcape is an expert in matters of railway administration. As a matter of fact, in that respect we have at the head of the Railway Board a gentleman, with almost ideal qualifications, one who was an Agent of an important railway and is now a trusted officer of Government responsible for spending its money economically. However, whatever may be thought of the necessity of inquiring into the matters at issue between the Railway Board and the Railway Companies, I feel bound to say that such inquiry should not have been entrusted to Lord Inchcape. My Lord, I refer to this aspect of the question, because an important point of principle is involved in it. Lord Inchcape is the senior partner of a big commercial house in this country, having extensive dealings with Railway Companies. Of course everybody has the highest respect for his Lordship personally; after a most distinguished career as a business man in India, he retired to England, and there he was for a number of years a member of the Secretary of State's Council; he has served the State in various capacities

with conspicuous ability, and his services have raised him to his present eminent position. No one will for a moment suggest that such a man is likely to be influenced in the recommendations that he would make by his business relations with Railway Companies; but there is such a thing as an unconscious bias from which even the most eminent of men are not free, and it is casting no reflection on Lord Inchcape to say that, as a great business man, he is apt to be more impressed by the importance of increased railway expenditure and the difficulties of Railway Companies than by the necessity for those safeguards which have been devised by the Finance Department and by the Railway Board to ensure economic administration. If his recommendations, therefore, result either in relaxing the control of the Railway Board over the growth of working expenses or in increasing the annual budget of capital expenditure on railways, this Council will certainly have very serious cause for complaint. There is thus room for very real anxiety in the public mind as to what the whole of this proceeding will lead to, and I have brought this motion before the Council in the hope that papers will be laid on the table and all doubts cleared up in the matter.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows :—]*

My Lord, it may appear strange to this Council that while a Member of the Government of India is prepared to—I won't use the word 'condone,' but I will say accept—what has been done by the Secretary of State in this matter, non-official Members should stand up and urge the view that the proceeding detracts from the dignity and the position of the Government of India. But the Hon'ble Mr. Clark has carefully evaded the direct issues which I had put to him. What I wanted to know was—was the Government of India consulted before Lord Inchcape was appointed? Did the Government of India agree to the inquiry being conducted by Lord Inchcape in the manner he did? And are the Government of India prepared to accept the position that the Secretary of State may send out anybody he likes to

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make an inquiry independently of the Government of India and to send a report to him behind the back of the Government of India? Of course, a report submitted to the Government of India must go to the Secretary of State in case of such inquiries before final orders are passed. But that is another matter. What I object to is the report going direct to the Secretary of State, for practically it means that the whole inquiry is independent of the Government of India. If the Hon'ble Member is prepared to accept such a position for the Government, of which he is a member, all I can say is that that is not the position which the Government of India should hold in these matters. As the purpose of my motion has not been met by the answer that the Hon'ble Member has given, I must press for the Resolution being put to the vote.

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## THE CIVIL MARRIAGE BILL.

*[On 26th February 1912, the Hon'ble Mr. Basu moved in the Imperial Legislative Council that the Civil Marriage Bill be referred to a Select Committee. Mr. Gokhale, in supporting the motion, spoke as follows :—]*

Sir, after the speeches of the Hon'ble the Home Member and the Hon'ble the Law Member, it is clear that there is no chance of this motion being adopted by the Council. In spite of this, however, I would like to say a word, by way of appeal, to the Government to ask them to reconsider their position even at this last moment and let the Bill proceed to the proposed Select Committee. It is quite true that a very large majority of our countrymen are strongly against this Bill. At the same time even the strongest opponent of the Bill cannot deny that there is a very influential and enlightened minority in support of the Bill. That being so, I think it is due to the supporters of this Bill, to their position in the country and to the interests of Indian progress which they represent, that the Government should allow the Bill to be examined by a Select Committee; because it is only a Select Committee that can properly examine a measure of this kind. Personally, Sir, I am strongly in favour of the Bill. It is quite true, as we have seen from opinions expressed both in this Council and outside, that the Bill represents ideas which are in advance of the views of the bulk of the Hindu and Muhammadan communities to-day; but I am quite sure that with the spread of higher education among Indian women, with late marriages coming more and more into vogue—and late marriages must lead to choice marriages, *i.e.*, to free choice by the marrying parties—with these things coming, with the dignity of individual freedom realised better and better, and last, but not least, with the steady fusion of different creeds and different races, which is bound to take place under the stress of our growing nationality, to which my Hon'ble friend Mr. Ali Imam referred—a reference which seems to have been



misunderstood by my Hon'ble friend Mr. Mudholkar—I say, under all these influences, the day cannot be far distant when a measure like the one before us will find its way to the Statute-book. And, Sir, when that day comes, the labours of my Hon'ble friend will be duly recognised. For the present, however, we must admit that owing to the apprehensions of orthodox people that have been aroused, and the attitude which the Government have adopted in this matter, the passing of this Bill becomes practically an impossibility. But that does not mean that the opportunity which has now arisen to examine the question of amending the law of 1872 need be thrown away altogether. Sir, there is a strong feeling in some quarters that this opportunity may be utilised at least to give relief to certain sections of the Indian community—certain denominations—who have a real and reasonable grievance under the existing law, without wounding the susceptibilities of other sections. To mention only one suggestion out of several, if the Bill were so amended that instead of omitting the present negative declaration of the Act of 1872, that declaration was retained with an *alternative* positive declaration added, saying that a person belonged to one of the Churches enumerated, that, I think, would meet the requirements of the Brahmo community and I do not think that there would be any objection to this on the part of even the most orthodox people. Under such a provision, a person would be able to come under the Act either by declaring that he or she did not profess this, that, or a third faith, or by saying that he or she was a member of this or that Samaj or Church. I gather from what the Hon'ble Maharaja of Burdwan and the Hon'ble Mr. Malaviya said to-day that they would have no objection to such an amendment. If the Select Committee is disposed to examine the question in this spirit and find some such way out of the difficulty, I do not see why that should not be allowed by the Council. I do not see, Sir, why the whole of the Bill should be lost altogether—why we should not try to save as much of it as we can.

One more thing. My Hon'ble friend has proposed a Select Committee on which official Members are in a major-

ity. The question will therefore remain under the control of the Government even in Select Committee. If my Hon'ble friend, the mover of the Bill, takes at any stage a line in the Committee which the Government are unable to approve, they can prevent a favourable report being made to the Council, and even at the last moment they can throw out the Bill in Council. I would therefore make a strong appeal to the Government to reconsider their decision and allow this Bill to go to the Select Committee.

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## THE POLICE ADMINISTRATION.

*[On 27th February 1912, the Hon'ble Mr. Basu moved a Resolution in the Imperial Legislative Council recommending the appointment of a Committee of officials and non-officials to inquire into Police Administration in India and the necessity for amending the law relating to confessions in Criminal cases. Mr. Gokhale, in supporting the Resolution, spoke as follows :—]*

Sir, I rise to support the Resolution which my Hon'ble friend Mr. Basu has moved for the adoption of the Council, and in doing so I would like to say at the outset that because non-official critics of the police administration of this country deem it their duty to make complaints about the character of that administration, whether in this Council or outside, they should not be understood, on that account and by reason of that fact only, to lay the blame of the defects of that administration at the door of the British Government as such. I am free to confess, Sir, that the police administration in Native States is as bad as in British territories, if anything, even worse; and I will go further and say that from such records as we have of pre-British days, for instance, at Poona, which was at one time the capital of the whole Mahratta Confederacy, things were as bad as in these days. The difficulty in discussing this question calmly arises from the fact that when a complaint is made about the defects of the present-day police administration, high English officials deem it their duty, owing to the very peculiarity of their character—and that is really one of the strong points of their race—to stand by the instruments whom they employ and interpret such criticism as directed against themselves, and that imports feeling into a discussion which otherwise might very well be conducted without feeling. It is quite true, Sir, as has been pointed out by several Hon'ble Members, that the inquiry by Sir Andrew Fraser's Commission is a comparatively recent inquiry; but since the Commission reported, two questions have come very prominently to the front.

One is the manner in which confessions are obtained and the general unreliability of such confessions, and the second is the manner in which the work of the new Criminal Investigation Department is done. As regards confessions, the Under Secretary of State for India stated some time ago that the Government of India were considering the matter, and that an amendment of the law on the subject would shortly be undertaken. And I, for one, expected that this session legislation would be introduced on the subject. Very probably the Law Member is going to take part in this debate. I see he has been taking notes. At any rate, I hope he will, and I trust he will tell us when the legislation outlined by the Under Secretary for India will be produced. As we have been assured that the Government themselves are considering this question, I think my Hon'ble friend, who has moved this Resolution, will be satisfied if a statement is made as to the intentions of Government on the subject.

The other question, namely, the operations of the Criminal Investigation Department, stands on a different footing. When Sir Andrew Fraser's Commission inquired, the Department was not constituted on its present basis. In reply to a question which I put last year in this Council, the late Home Member laid on the table a statement showing the growth and cost of the Department from year to year since 1905, when the Department was first created. The cost has been going up very largely, but that is a financial matter which I do not want to raise to-day. What I however want to say is this. The Department, on its present basis, has been in existence for the last seven years and there is so far no sign that its operations would be curtailed. Now, Sir, I am free to admit that during the somewhat anxious times through which the Government had to pass during the last few years, it was perhaps necessary for the Government to devise a machinery whereby they could keep in touch with the various movements that existed or were being started in the country. I am speaking with special reference to the political branch of the Criminal Investigation Department. I am also free to admit that while there was room

for anxiety in many directions, and the activity of the Department, such as it was, was at its highest, it was perhaps no time to undertake an inquiry into what was going on. Of course many things have been done by this Department which should not have been done; many reports have been submitted which ought not to have been submitted; many individuals have been shadowed, harassed and falsely accused, who should never have been subjected to such treatment. As long, however, as there was any room for anxiety, the Members of this Council refrained from urging an inquiry into the methods or operations of this Department. But, Sir, everybody now admits—the Government itself admitted this last year in the course of the discussion on the Seditious Meetings Bill—that things are settling down, and very rapidly settling down; and if any pointed proof of it was further required, it has been furnished by the demonstrations of loyalty which greeted Their Imperial Majesties on all sides, when they recently visited this country. And I am quite sure that there is now no serious difference of opinion on the subject between officials and non-officials, that both alike think that things are settling down and that there is not the same necessity for the Government to feel anxious as they perhaps had during the last few years. Surely, then, now is the time when an inquiry should be made into the operations of a department which is causing the utmost irritation among the people—especially among the educated classes—in a manner, of which I do not think that the Government have a very clear or adequate idea. Sir, my Hon'ble friend, Sir Gangadhar Rao Chitnavis, the 'ideal citizen' of Central Provinces as we were told yesterday, a man happy in the consciousness of high official appreciation, has just asked us to believe that in the Central Provinces the Criminal Investigation Department is all right. Well, Sir, what will the Council think if I state—and I do this on most excellent authority—that even my Hon'ble friend has not escaped the attentions of this Department, to which he has just given a certificate and has not escaped anxiety on account of its operations? Even he had reason to complain that he was made the subject of an adverse confidential report, which was brought to his notice before

it could do him any harm, because he has friends among officials, but which did cause him very considerable anxiety at the time !

I will give the Council another instance of how the Department is no respecter of persons. My Hon'ble friend to my left—Sir Vithaldas Thackersey—a man respected alike by officials and non-officials, a man who generally keeps to non-political activities and confines his utterances to subjects which are specially his own, expressing himself, no doubt, with independence, but evoking the respect of all by his utterances—even he has been honoured by the attentions of this Department. My friend went last month to visit Dacca. He went there, as this is the last session of this Council that will be held in Calcutta, and he thought that as he might not come this side again, he should go and see Dacca. And he went there just for a few hours merely for the purpose of sight-seeing, as the guest of the Nawab of Dacca, and from there he went further to Chittagong to acquaint himself with the possibilities of that place as a port, and a centre of trade. Well, a day or two after he left Dacca, a paragraph appeared in one of the Dacca papers—I had copy of it sent me, and I sent the cutting to Sir Vithaldas—saying that some police constables belonging to the Criminal Investigation Department were sedulously making inquiries about one Sri Vital Das Thakur Das (that was the way how his name was put in the paper) about the object of his visiting Dacca and what he was doing there. Now, Sir, if people like Sir Gangadhar Chitnavis and Sir Vithaldas Thackersey do not escape the attentions of this force, is it any wonder that more humble and less fortunate persons like myself fare worse than this ? As a matter of fact I must say I have been receiving such attentions for a very long time, but I have always taken it as in the day's work. My life is frankly given to national work, and I am free to recognise that the Government may think it necessary to keep in touch with all who are engaged in such work. What we are entitled to expect, however, is that the men, who are employed in this duty, shall do their work in a less clumsy and offensive manner than that in which they

do it at present. I will give the Council an illustration from my personal knowledge. I belong to a society of young men—I mean the other members are young men, though I am myself getting on in years—which has been brought into existence to supply a long-felt want, namely, that of young men, trained in the study of public questions, and engaged in public work in various fields as wholtime workers. Now we may be right or we may be wrong in our view of things, in our estimate of the requirements of the situation. We have made up our minds to serve our country according to our lights, and we are prepared to accept the full consequences of our choice. And if the Criminal Investigation Department of the Government wishes to keep in touch with our movements, let it do so by all means; but we are certainly entitled, as peaceful citizens of this country, to expect that we should not be subjected to undue annoyance. Now, Sir, some time ago one of the members of our society went to the United Provinces to take part in the famine relief operations. He did such excellent work there in that connection that Sir John Hewett thought it necessary to recognise the work in his Famine Report; and yet this gentleman was subjected to such open and continuous annoyance by the men of the Criminal Investigation Department that ultimately he had to complain publicly of it in the papers. He was not only openly accompanied by these men wherever he went, but one of them began to go the length of insisting on sitting on the coach box of hackney carriages engaged by him for going about. Another member of our society had, for a long time, a cyclist detective assigned to him. The gentleman in question is not even a fast walker—and rather inclined to be corpulent—and an ordinary policeman, walking at an ordinary pace, might well have sufficed for this purpose; but the Department assigned a special cyclist to him. Now, Sir, though I am speaking somewhat lightly of the matter, all this is really most grossly offensive—to put it no stronger than that. I do not say that they should not watch our movements, if they want to do so, though I strongly feel it is most foolish that Government should thus let loose a number of unscrupulous men, such as most of

the Criminal Investigation Department men are, on innocent people. But, in any case, it is necessary that all this shadowing should be done in a less offensive and less clumsy manner. Again, Sir, the reports submitted by these men are secret. Nobody knows what is contained in these reports, and everybody's good name is at the mercy of these people. I know of a report which was once submitted against me and for which there was absolutely no foundation. I came to know about it simply through the courtesy of the Political Secretary to the Bombay Government, who happened to entertain a kindly feeling for me. I had made a speech at a mufassal place in the Bombay Presidency. Sometime after, I happened to meet this officer at a party, and he asked me to go and see him the next day in his office. He then asked me what things I had been saying, and he put the report into my hands. I was amazed to read it. I told him that I had never said any of the things attributed to me. He laughed and said, of course he knew that I could not have said such things and he never took the report seriously. Now, Sir, this officer discredited the report because he knew me personally. But for one man whom these officers know personally, there are ten, a hundred, a thousand men whom they do not know, and against whom reports are daily submitted—reports on which officials very often act. It is therefore necessary that an inquiry should now be ordered into the operations of this Criminal Investigation Department. The fact is this: a number of uneducated and in many cases unscrupulous men have been engaged for the work. The work as such is necessarily regarded disreputable and is looked down upon in every society. A man who goes about surreptitiously and tries to find out behind the backs of people something about them, must necessarily suffer from that disadvantage. Therefore you cannot get good men for this work and I recognize that that constitutes a serious difficulty; but some way must be found out of it. For great irritation and bitterness is being caused in the minds of thousands of innocent people by the dangerous and unscrupulous activity of the Criminal Investigation Department men. Therefore, Sir, an inquiry must now be immediately undertaken into the



whole of this business—into how these men are appointed, what their qualifications are, how they perform their duties, what supervision there is on them, and what reliance is placed on their reports.

The very fact that things are settling down again, makes such an inquiry all the more necessary. For these men have to justify their existence, and, therefore, in the absence of anything really worth reporting, they are sure to make up things which do not exist and report them to the Government. I, therefore, strongly support the motion of my Hon'ble friend.

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## DISTRICT ADVISORY COUNCILS.

*[On 27th February 1912, Mr. Gokhale in moving a Resolution in the Imperial Legislative Council recommending the creation of District Advisory Councils, spoke as follows :—]*

Sir, I beg to move that this Council recommends to the Governor-General in Council that steps should now be taken to bring district administration into closer touch with the people by creating, as far as possible, in every district in the different Provinces a District Council, composed of not more than nine members, partly elected and partly nominated, whose functions should be merely advisory to begin with, and whom the Collector should ordinarily be bound to consult in all important matters.

Sir, one of the most important and at the same time one of the most difficult problems connected with the Government of this country is how to liberalise the character of our district administration and to bring it into closer association with those who are affected by it. Leaving our local bodies for the time out of account and taking a broad survey, the fabric of our Indian administration may roughly be said to have the district administration for its base, the Provincial Governments and Administrations, in some cases with Executive Councils, in most with Legislative Councils, for the centre, and the Government of India with its Executive and Legislative Councils for the top; the Secretary of State with his Council standing behind all and above all, representing Parliamentary sanction, Parliamentary initiation and Parliamentary control. To put the same thing in another way, Sir, one might say that the immediate responsibilities of day to day administration rest on district officers, while the larger responsibilities of the administration, including the work of guidance and control, as also of initiating policies and developing them, belong to the Provincial and Supreme Governments and to the Secretary of State. Now, Sir,

that they used to acquire before. Fourthly, the writing work of the Collector has increased enormously; he is thus tied largely to his desk, and therefore unable to acquire that same acquaintance with the requirements of the people that his predecessors were able to acquire. And, lastly, his back has been stiffened by the growth of political agitation in the country, and he has been, so to say, driven more within himself. All these factors have tended to affect his position for the worse, so far as administering the district in the interests of the people is concerned. The Decentralization Commission, which freely admits the existence of these defects, and which was appointed to suggest a remedy, was, unfortunately, so constituted that its eye was fixed more on official remedies than on non-official remedies. There was only one Indian member on it, and he too was an ex-official. But he was one of our foremost men and he was in favour of the proposal which I have laid before the Council to-day. All the members, with the exception of two, belonged to the Indian Civil Service, and the two outsiders had no knowledge of the country. The Commission therefore started with what I would call an official bias, and it did not seriously enquire into those remedies which may be called non-official remedies for the state of things which I have already described. The Commission suggested a large measure of delegation of powers from higher authorities to the Collector—an official remedy, pure and simple. However, as the mischief is admitted by everybody, the Council will recognize that it is desirable that the question should be examined from every standpoint, and any non-official remedies that can be suggested fully discussed; and it is because, Sir, I think that the proposal contained in my resolution is such a remedy—a remedy which seeks to associate non-officials with the work of administration—that I have brought forward the matter before the Council to-day.

Sir, there are those who regret that the old order has passed away, that the old autocracy of the Collector is no longer possible. It is significant, however, that some official witnesses themselves do not share this regret, and recognise frankly that the past cannot be recalled. The

past really never returns, and in this matter, even if the past could return, I think it would not be desirable that it should return, for things are not where they were a century or even half a century ago. There is a new element introduced into the situation by the growth of an educated class in the country—an educated class that is entirely the creation of British rule. Now, by the educated class, I do not merely mean, what many of the witnesses before the Commission meant, namely, lawyers and other members of the learned professions. Sir, it is a pity that so many officials adopt an attitude of sneering particularly towards lawyers. Such an attitude, for one thing, is singularly inappropriate from the representatives in this country of a nation, which has at the present moment for its Prime Minister, for its Chancellor of the Exchequer and for its Minister for War, three lawyers in England. Sir, however, some officials may sneer at the lawyer element in India, the non-official public will always recognize—and I can make this acknowledgment with the less hesitation because I am no lawyer myself—that we owe a debt of gratitude to the lawyers for the manner in which they have built up the public life of this country. But though our lawyers are still our most independent element in public life, they are not the only persons who came under the category of the educated class. It is not only the lawyers or the school-masters or the editors that constitute that class; the educated men of the land-owning or mercantile class are also included in the description; men like my Hon'ble friend Sir Gangadhar Chitnavis who sits behind me, or my friend Sir Vitaldas Thackersey who sits on my left. Surely men like these gentlemen, who have come under the influence of Western education in the same way as others, are as much included in the educated class as any others. It may be that the special peculiarities of their position impose special restrictions on the way they express themselves. That is another thing. But we know for a fact that they hold more or less the same views as other members of the educated class. It cannot indeed be otherwise. Now, Sir, it is a matter of regret that the attitude of many official witnesses towards the educated class should be what one finds it in the

evidence given before the Decentralization Commission. It is true that that was four years ago, when the atmosphere in the country was considerably heated, and one should not recall those things more than can be helped in these days, when the sky is clearer and the atmosphere cooler. However, as this is a matter of some importance I deem it necessary to make one or two observations before I leave it. Sir, there is no doubt whatsoever that the incessant criticism to which some members of the educated class subject the administration of the country, often tries the temper and exhausts the patience of the official class—especially when that criticism is ill-informed as it sometimes is, and takes the form of an indiscriminate denunciation of the official class. But when expressions of impatience and annoyance are used towards the educated class or ebullitions of temper are permitted in official documents intended for publication, all I can say is that such a thing serves no good purpose whatever. Of course these are things to which an exaggerated importance must not be attached, but the plain fact has got to be recognised that mere impatience on the official side cannot now abolish the educated class, just as indiscriminate attacks by non-officials cannot abolish the official class. The fact of the matter is that the two sides have got to get on together in this country for the good of the country; and it is to be hoped now that the atmosphere has been largely cleared, thanks, among other things, to the King-Emperor's visit, and under the new influences that one feels on all sides that there will be less and less of this impatience on the one side and of indiscriminate denunciation on the other. Well, Sir, I was saying that the growth of this educated class introduced a new element into the situation which makes a return to the old autocracy of the Collector now absolutely impossible. You have got to give an interest to this class in the administration of the country. It is not enough now that the administration should be carried on efficiently and honestly by the officials; it is further necessary that representative Indians of education and position should be associated with administration. These men have grown up with ideas about Government different to those with which their

forefathers were brought up. If you keep them out of the administration, they will become mere critics of the administration. Now, the limits of fair criticism are soon reached, after which there can be only unfair criticism. If you have a large section of the community in the position of mere critics, fair criticism being soon exhausted and unfair criticism having set in, each succeeding critic tries to go one better than each preceding one and thus the criticism passed tends daily to become more and more unfair. In the interests of the administration itself, therefore, it is necessary to admit the educated class of the country to a share in the responsibility of administration and to give it an interest in that administration. Therefore, Sir, there can be no more a return to the past. If that is accepted, and if the state of things is as I have already described it to be, what is the remedy? That is the next question. Let us recapitulate again the requirements of the situation. Those requirements, to my mind, are three. In the first place, we want more government on the spot, and more expeditious government. These departmental delays and this excessive reliance upon the secretariat—from these the District Officer ought to be freed. More expeditious government, more government on the spot; that is the first requirement. The second is, an interest in the administration must now be given to the educated class that has come into existence; an educated class with which the official class must, moreover, learn to get on: and the third is that provision must be made for the grievances of the district being ventilated in a responsible manner in the district itself. This is an aspect of the question to which I attach great importance. If these grievances have to be taken to the Provincial Administration, and have to be brought up for discussion in the Provincial Councils, what happens is this. The grievances from the whole province gather together, and come in one stream, so to say, before the Provincial Government;—in one stream, when a meeting of the Legislative Council happens to be held; and that conveys an altogether erroneous idea about the whole administration, as though things were wrong here, there, everywhere. What is necessary is that as a grievance arises it should be dealt

with as far as possible on the spot. There should be opportunities available to the people to bring it in a responsible manner before the head of the district and have it removed. Then it ceases to be a subject of discussion in so many homes. Then it ceases to breed that poison which gradually comes to fill the air and does infinite mischief both to the Government and the people. These, then, are the three requirements of the situation. Now my proposal is that the Government should take steps to create in each district an Advisory Council, constituted on the lines I have indicated. Of course, the suggestions are only tentative, and the actual details will have to be carefully worked out before a change of this magnitude is introduced by the Government. But I should like an Advisory Council in each district, partly elected and partly nominated. Supposing it is a Council of 9, I should have 6 members elected, and 3 nominated. Or if it is a Council of 12, I should have 8 elected and 4 nominated. I should leave the power of nomination into the hands of the Collector, who will then be able to appoint men who do not care to stand for election, but whom it is desirable to have on the Council. But a majority of the Council must come in by election because it is the only way known to modern times, by which you can give responsible representation to different interests. A Council then should be created in every district as far as possible, of which two-thirds, or any other proportion of more than half, should be elected, and the rest, less than half, nominated. This Council, to begin with, should have only advisory functions, though they need not always remain advisory if the experiment proves a success. In this country in our exceptional situation we can progress only tentatively, and from experiment to experiment as each experiment succeeds. If the proposed experiment proves a success, more responsible powers could certainly be entrusted to the Councils in due course. It is necessary that the Advisory Council should be a small body, in order to meet the objection that has been raised by some that it might otherwise degenerate into a talking body. A body of nine or ten members sitting round a table with the Collector, assisted by other district officers, meeting once a month, would

be able to dispose of a lot of business on the spot, which at present involves endless delays and indirectly to get rid of a lot of poison which now gathers in a district from day to day, and which tends to vitiate the air in a manner truly regrettable. This is roughly the proposal that I am putting forward. I may mention that there is an analogy for this in Western countries. On the continent of Europe I find in several countries bodies like the Council that I am proposing, only possessing more responsible powers. I will mention one case—that of Prussia. Of course, I have no personal experience of the matter, and my knowledge is derived entirely from books. But this is what I find to be the state of things in Prussia. I am quoting from Woodrow Wilson's *State*:—

The government district in Prussia is not an area of self-government, but is exclusively a division of State administration.

A district in Prussia is nearly the same in area as a district in India. The average district in Prussia is about 3,800 square miles; the average district in India is about 4,100 square miles.

Its functionaries are the principal—it may even be said the universal—agents of the central Government in the detailed conduct of administration: they are charged with the local management of all affairs that fall within the sphere of the Ministries of the Interior, of Finance, of Trade and Commerce, of Public Works, of Agriculture, of Ecclesiastical and Educational Affairs, and of War, exclusive, of course, of such matters as are exceptionally entrusted to officers specially commissioned for the purpose. In brief, they serve every ministry except the Ministry of Justice.

These functionaries of the district are called the “Administration” and they work through boards. I need not trouble the Council with details. The President of this body, who corresponds to our Collector, and who is the special representative of the Ministry of the Interior, works alone. All the other departments work through boards. This is how the position of the President is described:—

The President of the Administration is the most important official in the Prussian local service. Not only does he preside over the Administration, the general and most important Agency



of Local Government; he is also equipped for complete dominance. He may, upon occasion, annul the decisions of the Administration or of any of its Boards with which he does not agree, and, in case delay seems disadvantageous, may himself command necessary measures. He may also, if he will, set aside the rule of collegiate action and arrange for the personal responsibility of the members of the Administration whenever he considers any matter too pressing to await the meeting and conclusion of a Board, or, if when he is himself present where action is needed, he regards such an arrangement as necessary. In brief, he is the real governing head of local administration. The jurisdiction of the Administration covers such matters as the state taxes, the churches, the schools, and the public domain, etc.

Now comes the analogy. There is a district committee associated with this officer. It is described by the author as follows :—

Although, as I have said, the Government District is not an area of self-government, a certain part in the oversight of governmental action in the District is given to lay representatives chosen by the Provincial Agents of the people. A District Committee (there is a long German name which I dare not pronounce) composed of two professional members (one of whom must be qualified for judicial office, the other for the higher grades of the administrative service) appointed by the King for life, and of four members chosen by the Provincial Committee for a term of six years, is allowed an oversight of such matters as it has been thought best to put under lay supervision. The President of the Administration is *ex officio* a member of the Committee and usually presides over its sessions. All orders or arrangements which he wishes to make with regard to local police are subject to its confirmation, and all questions regarding the control of subordinate local authorities fall to it. More important than its administrative functions are the judicial functions with which it has been recently invested.

But that refers to matters which do not concern the present discussion.

Here then we have an analogy which in many respects is useful for our purpose. I find that in some other countries too, there are similar bodies. So the idea may well be taken up and worked out.

I may mention that I ventured to submit my proposals on this subject to the Decentralization Commission, before which I gave evidence, and if the Council will bear with me, I would like merely to repeat briefly here what

I said there, as regards the principal details of the scheme. Roughly I would divide the functions of the Collector into four categories. First must come matters which are urgent and confidential, in regard to which, of course, he must have the power to do what he thinks proper without consulting the Council. Secondly, there would be matters which he must refer to the Central Government for final disposal, whether there is a Council or not, but in regard to which he would express an opinion or make a recommendation. Here the opinion of the Council should also be ascertained by him and forwarded to Government along with his own opinion. The third division—and here is what would make a great difference to the people—would be of matters, which the Collector should be empowered to dispose of on the spot, if he is able to carry his Advisory Council with him, but which he must otherwise refer, as at present, for orders to the Central Government. This is what will really constitute in some respects the distinctive feature of the scheme, freeing the Collector from the present excessive secretarial control, and associating with him a small body of non-official representatives to prevent his being a mere autocrat and giving the people some voice in the disposal of their affairs. What I would like to see is that the Collector should be the head of an Executive Board, consisting of the Engineer, the Educational Inspector and other officers belonging to the other Departments in the district. And he should have in addition an Advisory Council like the one I have outlined. With the assistance of the Executive Board, he should carry on the general administration of the district and many matters, which he at present has to refer to the Central Government, he should be empowered to decide on the spot with the assistance of his Advisory Council. The last division will be of matters, in which the Collector, though bound to consult his Council, should be free to act as he deems best, taking or rejecting the advice of the Council, as he likes.

In my evidence before the Decentralization Commission, I stated briefly what matters should belong to the different categories. The lists were prepared with much

care and thought and with the assistance of men who had spent their lives in the work of administration ; so it could not be said that the proposals had emanated from men who did not know anything of the administration of the country. In making these lists, I necessarily had in view the type of administration which prevails on the Bombay side, but substantially they might be made to apply to other provinces as well. Leaving confidential matters alone, and taking the second category, I would include in it (1) Legislative proposals, (2) proposals of revision settlements, (3) revision of water rates, (4) recommendations about remissions of land revenue, (5) creation of new Municipalities, (6) extension of the operation of Acts to new areas, (7) imposition of punitive police, and (8) creation of new posts. All these matters must go to the Central Government in any case, but the Collector should ascertain the opinion of his Council and send that opinion along with his own. In the third category, which concerns the most important part of my scheme, I would have matters, which, as I have already explained, the Collector should dispose of finally if he is able to carry his Council with him, but which he must otherwise refer to the Central Government. If the Council does not agree with the Collector on any question, nothing will be lost, as the matter will go to the Central Government as at present ; but where the Council agrees with the Collector, he should be freed from the control of the Secretariat, and the matter decided then and there. Among such matters would be (1) opening, location and abolition of liquor shops, (2) suspensions of land revenue, (3) levy of building fines, (4) city survey proposals, (5) organization of local supply from forests, (6) opening of new and closing of old schools, (7) establishment of village Panchayats and Unions, (8) suspension of Taluk Boards, Municipalities, Panchayats and Unions, (9) creation of Benches of Magistrates, (10) rules regulating fairs, processions, etc., and (11) assumption of property under the Court of Wards Act. Lastly would come those matters which the Collector may decide as he deems best, even against the opinion of the District Council, such as (1) urgent precautionary measures against plague, cholera,

and other epidemics; (2) measures for the preservation of peace; (3) measures of urgent famine relief, and so forth.

I have endeavoured to give the Council an idea as to what I have in my mind in bringing forward to-day's resolution. If this proposal is taken up by the Government for serious consideration, the details will necessarily have to be carefully worked out by men qualified to deal with the question. But what I have said should suffice to convey to any one a sufficiently clear notion as to what I would like to see established in every district as far as possible. In addition to the matters enumerated by me, the members of these Councils should have the power to discuss grievances relating to the administration of the district at their meetings, which should be held, say, once a month.

Sir, it is necessary to state that the idea of Advisory Councils formed in a general way the subject-matter of a good deal of evidence before the Decentralization Commission. Unfortunately the Commission did not take up the question seriously. If you look at the cross-examination of witnesses on this subject, you will find that there is hardly any cross-examination worth the name. The Commission simply did not care to go fully into the matter. However, that need not deter us from bringing up the question before this Council, whenever a proper opportunity presents itself. The fact has to be noted, however, that the question was before the Decentralization Commission. And on analysing the evidence given by official and non-official witnesses, Englishmen and Indians, we get the following results: About 63 English officials gave evidence on this subject. Of them, 10 were favourable to the idea of Advisory Councils, nine being in favour of District Councils and one in favour of Divisional Councils only. Among the nine, were two gentlemen, who were members of this Council, the Hon'ble Mr. Le Mesurier and the Hon'ble Mr. Quin. I am sorry neither of them is now in the Council, else I should have expected to be supported by them. Nine Members of the Civil Service in favour of

this as against 58 against the proposal—leaving out the late Sir Herbert Risley, who was in favour of Divisional, but not of District Councils—may appear to many to be a small proportion. But, considering that the Civil Service in this country is the standing Conservative party in Indian administration, more firmly rooted in absolute power than the Conservative party in England, I think nine out of sixty-seven is a much more satisfactory proportion than that of the Liberal Peers in the House of Lords who were in favour of Parliamentary reform last year. To my mind, therefore, it is a hopeful thing, that on the first occasion of a proposal like this coming up for consideration, nine members of the Civil Service should be found to be favourable to the idea—I am not surprised that the rest were against it. Then four non-official Europeans gave evidence on the subject and it is significant that all four were in favour of the proposal. Further of the 84 non-official Indian witnesses, who gave evidence, 71 were in favour. Some of them wanted the Council to be more than merely advisory—but, in any case, all in favour of constituting Advisory Councils—and only 13 non-official Indians were against it. When we remember how many public men in this country—I will not say, take their case from officials, but I will say have such humility about them that they distrust their own opinion about any matter, when it comes into conflict with official opinion, it is really surprising that the number of those that went against this proposal was not larger than it was. Finally, fourteen Indian officials gave evidence on this question, and of these seven were in favour of the proposal. This too was not unsatisfactory, taking into account the nervousness of many Indian officials in expressing opinions not likely to find favour with their superiors. Thus the overwhelming weight of evidence on the non-official side was in favour of this proposal; and it had also the support of a small but important minority among the official witnesses.

Sir, I will now say a few words about the more important objections that have been urged against this proposal. I have carefully gone through a great deal of this

evidence and I may say that the objections resolve themselves under five heads. In one brief sentence, they really come to this. The officials say :—We do consult people at present, and will continue to consult them; but we will consult whom we please, when we please, and how we please; we do not want to be bound in these matters! The five objections are, first, that informal consultation is better than formal consultation; secondly, it is difficult to know who are really representatives of the people, and it is difficult to get properly qualified representatives for the work; thirdly, the efficiency of the district administration will suffer; fourthly, an Advisory body may be desirable, but there are already District Boards and Municipalities which might be utilized for the purpose; why multiply these bodies? And, lastly, there is the objection which is a standing argument in this country against all advance, namely—the time has not yet come! Now I will deal briefly with these five objections, and then will bring my remarks to a close. As regards the value of informal consultation, well, it is all very well to say that you do not want to be formally tied down, that you like to be free, and that you will go about among the people and find out things for yourselves. On the one side you complain that you are tied to your desks, you are slaves to reports and returns, that you cannot find time to move among the people, and on the other hand you do not want to be bound to consult anybody, you must be free to consult whom you please! Again, Sir, we have plenty of experience of what this informal consultation means, and in this matter we can speak as no English official can, because they have no experience of our side of the shield. Under the present system of consulting whom we please, we often find men of straw, men of no character, insinuating themselves into the favour of officials and backbiting innocent people and exercising a pernicious influence. In the end, these things are generally seen through, but that takes time, and meanwhile a good deal of harm is done. And with the frequent transfers of officers that now take place, we are exposed to this risk far too often. But apart from this, without putting it on that low ground, I say that while the officials may continue to consult whom

they please—and my proposal does not come in the way of their doing this—all we want is that they should be bound to consult a body of representative Indians, properly constituted. We want a sense of responsibility to attach to the man who is consulted on our behalf; he must not be an irresponsible, self-seeking person, going to the Collector and expressing views which would just suit the particular mood of the Collector at the moment; he should feel the responsibility of his position and should know that he has a responsibility towards the people. To me, Sir, this argument of informal consultation appears to be the weakest argument that has been advanced against the proposal. Some say that it would be better to hold periodical Durbars than to have a standing Advisory Council. Now we all know what these Durbars are. A large number of people assemble—a hundred or so—and you cannot consult them in that definite manner in which you can do at a small Board meeting. The second objection is that it is not possible to know who are the real representatives of the people. Well, Sir, it is too late in the day now to start an argument of that sort. The Government has accepted the principle of election for ascertaining who should represent different interests in various deliberative bodies, in Legislative Councils, in Municipal Boards, and in district and other Boards. That principle, after all, is the only open test available for testing the representative capacity of a given person. I have already said that the results of election should be supplemented by keeping a certain reserve of seats in the hands of the Collector, and that by nominating deserving persons to those seats, he may redress any inequalities as regards the representation of different interests. And I agree with the opinion expressed by the Hon'ble the Home Member—I do not know what line he will take to-day, but I agree with the opinion expressed by him as Chief Commissioner of the Central Provinces—that if an Advisory Council comes into existence, it must grow out of the present District Boards and my own opinion is that the District Board should elect the major portion of the members of the Advisory Council.

Sir, the third objection urged against my proposal is that efficiency will suffer. But why should efficiency suffer? I do not propose that the ordinary routine of the Collector's administration should be at all interfered with by the Advisory Council. The Council will meet once a month, and if the efficiency of the Government of India does not suffer by the discussions that take place in this Council—though some officials may think that the time of the Council is wasted by these discussions—or if the efficiency of the Local Governments is not diminished by the discussions that take place in the local Legislative Councils. I do not see why the Collector should want to be more absolute in regard to his charge than the Government of India or the Local Governments. As a matter of fact, I think the efficiency of the District administration will increase and not diminish on account of the association of a body of popular representatives with it.

The fourth argument against my proposal is that there are already District Boards and Municipalities in existence. Why not use them for Advisory purposes as well? But, Sir, the Municipalities are concerned with particular towns only. As regards District Boards, my own view is that the districts are really too large as areas for the purpose of local self-government, and I should like to see local rural self-government entrusted almost entirely to Taluk or Sub-divisional Boards and to village panchayats, the District Boards confining themselves to work of a general character only. If this were done and the constitution of the District Boards modified, I should not mind entrusting those Boards with the functions, which I have in view, for Advisory Councils. But that is a different question and I do not want to complicate matters by going into it just now. The District Boards at present look after education, sanitation and roads. If the Government is prepared to widen their scope of work, and entrust other functions to them in addition, I have no objection. Lastly, we are told that the time for such a reform has not yet come. That, Sir, is an argument with which we are only too familiar. In the opinion of some officials, the time for *any* reform never comes, and yet somehow it



does come and reforms do take place! And, Sir, what has happened in the past about other matters will happen in the case of this also; and in spite of official opposition the time for this reform will come.

Sir, one word more in conclusion, and I have done. I contend that the association of a Council, such as I propose, with the work of district administration will, instead of impairing the efficiency of that administration, greatly increase it. For it will bring to it that higher efficiency, which results from the responsible participation of the people in the management of their own affairs and which can never be attained by a purely bureaucratic administration, however like a machine it might move. District administration, moreover, is the real ground of contact between the bulk of the people and the British Government and our Legislative Councils, expanded as they are, will not fully serve the end, for which they have been reformed, unless that reform is supplemented by the creation of Advisory District Councils and their association with the officers in charge of districts. Sir, I have already urged at some length that in the interests of the administration itself, the educated classes of this country should be given an interest in the work of that administration. What they feel is, if I may quote what I said before the Decentralization Commission, that the car of administration should not merely roll over their heads, but that they should be permitted to join in pulling at the ropes. This is a perfectly legitimate aspiration, which, I am convinced the Government must recognise, if not to-day, at least in the near future. Sir, in a most remarkable article which recently appeared in the *Times of India*, on the Royal visit, that paper said that British rule in this country owing to its inherent necessities must be a continuously progressive principle. That, I think, is a profound truth, a truth which should be kept constantly in view by those who are responsible for the administration of this country. It is only by doing this that the Government will be able to adjust itself to the growing complexities of the situation. Thus and thus only, will the Government equip itself for overcoming the difficulties that are bound to gather in its

path from time to time. Thus and thus only will the better mind of India be justified in the trust that it has always felt in the higher purpose of British rule; thus and thus only will the people of this land—ancient races to whom the world owes a good deal of its civilisation—be able to advance with slow but sure and steady steps to a place in their own country, worthy in accordance with modern ideas of the self-respect of civilized beings.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows :—]*

Sir, I must say a few words now by way of reply to the speeches which have been made in the course of this debate. I will begin with my friend, the Hon'ble Sir Gangadhar Chitnavis, who, however, I hope, will forgive me for not dealing at any length with his remarks, because I have only a few minutes at my disposal which I must devote to the Hon'ble the Home Member; and, secondly, with all respect to him, I must say that there was not much in his speech which needs a reply. Sir, it is somewhat inconvenient that members of this Council should make up their mind to oppose a motion and come to the council with ready written speeches before hearing what the person who brings forward the motion has got to say. Necessarily, when this course is adopted, much of the opposition loses its force, and as my friend, Sir Gangadhar Rao, did not think it necessary to show me the courtesy to listen to what I had to say before making up his mind, that is an additional reason which absolves me from taking any lengthy notice of his remarks. I will just take note of two things that he said: first, that reforms have only recently been granted, and that we should not ask for more now. My friend really seems more anxious to maintain the conservative and non-progressive character of our administration than the authors of recent reforms themselves, because it is well known that those who initiated the recent measures of reform, also had in mind associating the people with the administration down to the bottom; in what form this was to be done, they left to the Decentralization Commission to recommend. If my friend will only look at the terms of the

reference that was made to the Decentralization Commission, he will find that the Secretray of State did ask the Commission to recommend what measures could be adopted, whereby the people of this country should be brought into closer touch with the administration throughout. My friend thinks that perhaps the utmost that might be tried, is to have Divisional Councils in a few selected Divisions. Even here he has modified his position as compared with what it was before the Decentralization Commission, because his proposal about Divisional Councils had no such qualifications then, as he has to-day sought to add. My friend does not see why there should be District Councils. Sir, a district is the unit of administration in this country and not a Division. A Divisional Council will only be a smaller edition of the Provincial Council and will not meet any of the requirements I have mentioned. We want a Council to be associated with the officer, who is primarily responsible for the affairs of a district. My friend expressed a fear of some members proving obstructive. Now in bodies that are purely advisory, no great harm can be done even if anybody is obstructive. The utmost that may happen is that the time of the Board will be to some extent wasted; but we might, I think, well depend upon the common sense of the other members to see to it that that sort of thing does not last for long. There might occasionally be a little obstruction; if you will only assume average reasonableness on the part of the men, elected or selected, this fear of obstruction need not trouble us. I will now turn to the speech of the Hon'ble the Home Member. Sir, the Hon'ble Member spoke, no doubt, as he has himself told us, with great vigour, but whether he spoke with convincing vigour I must leave to the Council to decide. Personally, Sir, I am not at all convinced by what he said. On the contrary, I must say I am puzzled, I am surprised—indeed, if I may use the word which he himself used—I am astounded at the line he has adopted in the course of his reply. The Hon'ble Member began by promising to smash, to shatter, the pretty, pleasant picture which he said I had drawn up for the amusement of the Council. The Hon'ble Member has certainly smashed many pictures,

but they were not of my drawing; they were fancy pictures of his own. Sir, I feel bound to say—I think I am entitled to make the complaint—that from one in the Hon'ble Member's responsible position we expect more care to be taken as regards the accuracy of the statements which he attributes to others. He attributed to the supporters of this motion all manner of statements which none of us had ever made. I, for one, never made any of the statements that he attributed to me, so far as I can recollect. He said we spoke in terms of the utmost contempt of District Boards and Municipalities. Now I assert that I did not say a single word about these bodies that could be construed into any kind of contempt.

The Hon'ble Sir Reginald Craddock: I beg the Hon'ble Member's pardon. I never said a word about contempt. What I said was that the way they omitted any references and put them aside as being unworthy of consideration almost amount to contempt.

The Hon'ble Mr. Gokhale: Well, Sir, that is because the Hon'ble Member has not really cared to understand our proposal. The Municipalities exist for certain specific purposes; the District Boards too exist for certain similar specific purposes. We propose to bring into existence another body for certain other purposes. It is true that I referred very briefly only to Municipalities and District Boards. But that was because we have all to speak within certain time limits here—and, as a matter of fact, I was speaking against time when I came to that part of my speech—and so, though I had intended saying more on the subject, I could not do so for want of time. But surely because we did not speak at great length about Municipalities and District Boards, the Hon'ble Member is not justified in calling our attitude an attitude of contempt or one bordering on contempt. Then, Sir, the Hon'ble Member spoke of our saying that there were no educated advisors available to the Collector; but who ever said such a thing?

\* We all know that there are Deputy Collectors and others under the Collector. They are all men now of good education. And none of us said that educated men were

not available for consultation. What I said at the beginning, what I said in the middle, what I said at the end of my speech was, that what we wanted was non-official association with the Collector. There are plenty of officials to advise him, and he depends daily upon their reports; that, in fact, is our complaint, namely, that the whole administration is bureaucratic in character, based upon reports received from below and carried on under orders received from above. Now we want things to be less like a machine working automatically, and more like an institution which concerns itself with human beings, who have to be interested in the work that is done. I frankly stated in my speech that one of the objects that I had in view in bringing forward this question was to give some sort of interest to the people of the district in the administration of the district, so that, as one result, unfair and irresponsible criticism might become less and less. Sir, the Hon'ble Member, in referring to a quotation which I had made from Woodrow Wilson, said that I had abruptly stopped quoting, probably because what followed was inconvenient to me. Well, Sir, the Hon'ble Member might have adopted a little more charitable attitude towards me. He saw that I was speaking against time, and he might have assumed that I stopped where I did, because what followed did not concern my argument. However, as the Hon'ble Member has thrown doubt on what I did, I will, for the edification of the Hon'ble Member, read the portion which I did not then read. I will read that portion, and will then, if he likes, pass the book on to him, so that he may verify the quotation. The portion is as follows:—

More important than its administrative functions are the judicial functions with which it has been recently invested. Since 1883, the District Committee has been the administrative Court of the District. When acting in this capacity, the Committee is presided over by its judicial member and the President of the administration does not sit with it.

This is all that I had left out, because, as the Council will see, it does not concern the President of the administration, whose position we were considering.

Now, Sir, I will deal with some of the arguments brought forward by the Hon'ble Member in the course of

his speech. Here again it is largely a question of the standpoint from which we approach this question. The Hon'ble Member gave us an idea as to how he approaches this question when he said: 'Well, if I were a Collector, I would go out in the District among the people and I would ask those people what they wanted personally. Why should I have anybody between me and the people?'

As though the men who will 'come' between him and the people do not belong to the district and have no interest in its administration! This is exactly the attitude of mind, Sir, which must be given up, if district administration is to be improved. You must create in the minds of all classes in the district some sort of interest in, some sense of responsibility for, your administration. It would not do for a man to say, 'I administer this district; it is for me to give orders; the people exist only to obey'! The higher purpose of British rule, as we understand it, is to associate us slowly but steadily with the administration of the country, so that in course of time the administration should really become ours. Sir, the Hon'ble Member referred, towards the close of his speech, to a proposal which I had made before the Decentralization Commission but to which I made no reference to-day, *viz.*, the abolition of Commissionerships. I did not refer to this—again I must say—because there was no time to do so; I was speaking against time. My view, however, is the same as it was, when I placed it before the Decentralization Commission, and it is this:—You must free the Collector largely from the present excessive secretariat control. After all, he is a member of the same Civil Service from which also the secretariat officials are drawn. In many cases—I have heard this complaint from Collectors again and again—he is a fairly senior officer of that service, whereas some Under-Secretary, who is generally a junior man, very often passes orders in the name of the Government on the reports that go from him, frequently after keeping them a good long time in the pigeon-holes of the Secretariat. Now what is the value of this kind of thing? Free the man from this; he belongs to the same service, so do Government

Secretaries. He is qualified just as well as Secretariat officials to deal with these matters—perhaps better. He is, moreover, on the spot and knows more about the business. Only do not make him an absolute ruler. Free him largely from Secretariat control, but substitute for such control a certain amount of non-official association; and for this associate with him some of the best men in the district, whose advice he should be bound to take, so that, in any case, due deliberation may be ensured, and there may be no hasty action. If the Collector cannot spare one day in the month for this purpose, well, I really must say that the ideas that some gentlemen have on the subject of the administration of this country are extraordinary. If you like—it is only a question of funds—give him another assistant so that he may be further freed from his ordinary routine work. But it is a matter of the utmost importance to the people that they should be associated in some manner with the administration of the district, and enabled to feel that it is their own administration. Then the people will criticise the administration less and less; a greater sense of responsibility will come to them; and both parties to this transaction will, in the end, profit by it. If you free the Collector from a large part of the present Secretariat control, I certainly do not think that any harm will be done. If you do this, you will not require the intermediate agency of the Commissioner. Many distinguished men have taken the view that Commissioners are really superfluous. Even the Hon'ble Sir Reginald Craddock refers to that view in his minute. He says he does not want the Commissioners to be mere 'post offices,' or 'a fifth wheel to the coach'. Both these expressions we have heard again and again, and they have come from men who have held responsible positions in the administration of the country. If you have a strong central Government laying down policies, issuing general instructions, having Inspectors-General to go about and inspect district administration from time to time, and supplying expert advice to the district officers when necessary, then district officers, with the assistance of Advisory Councils, might very well carry on the administration of their districts. Sir, it is easy for

members of the Government to describe the suggestions coming from us non-officials as not practicable. It all really depends on whether you are in a position to try them or not. The Hon'ble Member is in a position to try any experiment which he takes it into his head to try, while we are not in that position. Therefore, I suppose, his ideas are always practicable, whereas ours may be brushed aside as impracticable! Sir, I certainly hold that Commissionerships are unnecessary and should be abolished. But from that—from the proposal for the abolition of Commissioners to the abolition of Collectorship—well, I do not see that there is any transition whatsoever. The Hon'ble Member says if Mr. Gokhale proposes the abolition of Commissionership, he may also propose the abolition of Collectorships; and if that is done, what is to happen. He might as well ask, if Government ceases to exist, what is to happen! It would never enter the head of any sane person to propose that Collectorships should be abolished. If you argue in that way then I really must say that that is not a fair way of dealing with a proposal like this. I regret I have no time to deal with all the specific objections that he has urged against the outlines of my scheme. But I will deal with as many as I can. The first I would take is about the imposition of punitive police. He said that he was astounded that I should suggest that the Collector should discuss this with men sitting with him round a board. By the way, I may state that though I have suggested nine as the maximum number of members of the Council, it need not be necessarily nine and no other. If nine will not do, increase it to any other that is reasonable. That will be my answer to the Hon'ble Mr. Shafi, whose support I am very glad to have in this matter. All I want is that the Council should be a small body, and that it should discuss things as we do at a municipal managing committee or standing committee meeting—in a more or less conversational manner and not by means of speeches. Now, Sir, if you want to impose punitive police on an area or a section of the people, you depend at present upon official reports only. But that is exactly our grievance. For you sometimes throw the whole burden on a wrong class;



sometimes it is distributed among classes some of whom have not offended. Now if you consult your Council on these questions you will first of all have to place your reports before them. If you admit them to a participation in the administration, then the subordinates' reports must be available to them, as papers are laid before Committees that work with a Chairman. If you are prepared to assume that these people will be reasonable beings, that they will not necessarily be afflicted with some extra curse, then they may be depended upon to show a reasonable regard for the requirements of the administration. It is the present secrecy of administration which, unless circumstances are exceptional, must be removed. The British Government in this country must be our Government, not a Government keeping us at arm's length, but really associating us in a responsible manner with the administration, so that we may feel that it is our Government. At present you act on reports from the police. We all know what that means. Everybody's reputation is in the hands of the police. Many of us have suffered from that. I speak in this matter from personal experience.

If you are going to punish a whole class of men—that is what you do by means of punitive police—you can surely explain the reasons to ten or twelve men. If you cannot carry these men with you, rest assured that there is something wrong with your policy. Then, Sir, the Hon'ble Member objects that my proposal about liquor shops really amounts to asking for local option. Well, Sir, I am a very keen advocate of local option. I have advocated it in the past and will continue to advocate it till it is granted. But my present proposal does not amount to local option, for the Council is only advisory, and if the Collector does not carry it with him, the matter can go as at present to the Government. The function is merely an advisory function, and if he carries the Council with him a great deal of bother is saved. Again, as regards the suspension of local bodies, the Hon'ble Member is afraid that the members will become unpopular, if they vote for suspension. He is strangely anxious

that these Councils, which he is doing all he can to prevent from coming into existence, should not become unpopular! Well, even if they are not willing to face unpopularity at once in regard to a Municipality which requires to be suspended, after a time at any rate the fibre of these men will be strengthened and they will discharge their responsibilities as other Indian officials do at present. Then the Hon'ble Member says that the framing of rules may be an urgent matter. If so, you may have an extraordinary meeting of the Council; ordinarily, however, the framing of rules is a matter for deliberation.

If you are not going to associate non-officials with you in a matter of this kind, I do not know in what else you will associate them with you. The Hon'ble Member fears that the Councils might become a hot bed of intrigue. In what way can a mere advisory body become a hot bed of intrigue. He says two or three men might get an ascendancy over a Collector. But such things happen now, and under my scheme, the evil will tend to grow less and not more. A strong Collector generally takes care of himself, and the chances of two or three unscrupulous men getting an ascendancy over a weak Collector's mind are far greater when you have no Advisory Council than when you have such a Council. Again what about providing for the responsible ventilation of grievances in a district. Is there no value to be attached to this? I can only express my view that if you provide some outlet for such ventilation, a great deal of bitterness which arises at present will be prevented. The Hon'ble Member must surely have experience of such matters. Wrong things are sometimes done even without the knowledge of the Collector, by some police officer or some one else. At present the grievance has simply to take its course. As my friend Pandit Madan Mohan Malaviya has pointed out, questions are asked about it in the Provincial Council drawing the attention of the whole Province to it. When the complaint does not belong to the Collector's own Department, the matter has to be referred to one or another of the numerous central departments with which the country has been flooded in recent years. Well, these departments have

their own procrastinating methods of doing work. If there is more government on the spot and if these matters are brought to the notice of the Collector, will not much harm be prevented? It is a point of the greatest importance that this kind of harm should be prevented—I do not mean by going to the Collector privately and putting things before him in an individual capacity, for there is no sense of responsibility in that. Sir, the Hon'ble Member asks, what will be the end if you begin like this? I will tell him what the end will be. The end will be better and better administration! The end will be that the people will feel that the administration is theirs. The end will be that the gulf that at present yawns between officials and the public will be steadily bridged: good administration in the interests of the people, the people feeling a responsibility for it and an interest in it, and things moving generally much more smoothly than they do at present—this will be the end if my proposal is accepted!

Sir, I am sorry that I have trespassed on the attention of the Council longer than I should have. I must leave the other points now alone, and I must ask that this resolution be put to the vote.

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## INDENTURED LABOUR FOR NATAL.

[On 25th February, 1910, the Hon'ble Mr. G. A. Gokhale moved the following Resolution in the Imperial Legislative Council :—]

That the Council recommends that the Governor-General in Council should be empowered to prohibit the recruitment of indentured labour in British India for the Colony of Natal.

The Government accepted it and the Hon'ble Member in moving the Resolution spoke as follows :—

I must at the outset express my deep sense of the manner in which the Government has afforded facilities for to-day's debate. It is a matter of some significance that the first exercise of the new privilege of moving resolutions in this Council should be in respect of a question which has not only roused intense feeling among all classes of His Majesty's subjects in India, but in regard to which the Government of India itself is understood to be of one mind with the people. That being so, I think it is not too much to hope that my motion will be accepted by the Council and that the Government will thus place itself at the head of what is undoubtedly the universal sentiment in the matter throughout the country. I think the first thing to realize in this matter is the fact that the whole of the Indian problem in South Africa has arisen out of the supply of indentured labour to Natal. The Indian population in South Africa may be divided into three classes:—(1) Those who are under indenture. This class is of course confined to Natal. (2) The ex-indentured and their descendants, by the ex-indentured being meant those who have completed their term of indenture but have not returned to India, nor have got themselves re-indentured but who are struggling amidst great difficulties to earn their livelihood as free Indians. This class has of course grown out of the first. And (3) traders and other Indians who have gone to South Africa at their own

expense. These persons have gone there in the wake of the indentured Indians and primarily to supply their needs. Now, my Lord, my own view of this system of indentured labour is that it should be abolished altogether. It is true that it is not actual slavery, but I fear in practice in a large number of cases it cannot be far removed from it. To take from this country helpless men and women to a distant land, to assign them there to employers in whose choice they have no voice and of whose language, customs, social usages and special civilisation they are entirely ignorant, and to make them work there under a law which they do not understand and which treats their simplest and most natural attempts to escape ill-treatments as criminal offences—such a system by whatever name it may be called, must really border on the servile. This is also the view which the entire Indian community throughout South Africa takes of the matter. But it is not merely on its own account that I advocate an abolition of this system. I also advocate it because this continued influx of indentured labour into South Africa and the consequent inevitable annual additions to the ranks of the ex-indentured tends steadily to lower the whole position of the free Indian population. The feeling of contempt with which the indentured Indian is generally regarded comes to extend itself not only to the ex-indentured but even to traders and other Indians of independent means. The struggle of free Indians to maintain themselves becomes more and more acute by these constant additions and the whole community feels an intolerable and continuously increasing economic burden placed upon its shoulders. I may, however, be told that this is an extreme view to take, and that though circumstances may arise which may lead the Government of India to prohibit altogether the supply of indentured labour to Natal, for the present it would be a more prudent course to utilise Natal's need, for securing an improvement in the treatment meted out to Indians in South Africa generally and in Natal in particular. Now, my Lord, though this is not the highest view to take of the matter, I am prepared to recognise that from a practical standpoint there is a good deal to be said in its favour. The position of Indians in South Africa which has gone

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from bad to worse during the last fifteen years has now grown absolutely intolerable, and in any remedy therefore which the Government can apply to the situation it is entitled to the strong and hearty support of the people of this country.

What, my Lord, is the position of the Indian community to-day in different parts of South Africa? The total Indian population in the four colonies or states of South Africa which have recently been federated into the South African Union is about 1,50,000. Of this number 1,20,000 are in Natal, about 15,000 are in Cape Colony, about 13,000 are entitled to be in the Transvaal—though the actual number there owing to the struggle of the last three years is not more than 6,000 at present—and about 100 only are in Orangia. Let us take Natal first. The supply of indentured labour from India to Natal first began in the year 1860. And with the exception of a brief period of 8 years from 1866 to 1874, it has continued to the present day. From the figures kindly supplied to me by the Hon'ble Mr. Maxwell, I find that the total number of Indians actually under indenture to-day in Natal is about 40,000. In addition to this there are about 65,000 ex-indentured Indians and their descendants, while the trading Indian community stands at about 15,000. The period of indenture is for 5 years after which a person may return to India, in which case he gets a free passage to this country, or he may get himself re-indentured, or again, he may remain as a free individual in the colony on the payment of an annual license of £3 for every male above 16 years of age and every female above 13. Now so far as the persons actually under indenture are concerned, the principal grievance is naturally ill-treatment by employers. Very grave allegations on this subject have been made and I must say that I have not seen them satisfactorily answered. The Protector of Immigrants being an officer of the Natal Government, he affords but little real protection to the poor Indian labourers. He is ignorant of their language and their ways of life and is generally imbued with the prejudices of the colony and it is not his fault if he is unable to enter into their feelings or understand

their grievances. A starting fact which has been mentioned and has not been contradicted is that the rate of suicide among the indentured is double of what it is among the ex-indentured and from ten to twelve times what it is among those classes in India from whom the indentured are drawn.

All these allegations require a searching and careful enquiry and I think the Government of India should urge on the Government of Natal a joint enquiry by representatives of the two Governments in the matter. I also think that the Protector of indentured Indians in Natal should be an officer of the Government of India, periodically sent out from this country and not an officer of the Natal Government. Let us now turn to the case of the ex-indentured. The policy of the colony towards them has undergone a gradual and now a complete change. In the earlier years after the system of indentured labour came into existence, the one anxiety of the Natal Government was how to keep in the colony those whose term of indenture had expired. Various inducements were offered and one of the conditions then insisted on was that indentured Indians should leave the colony before the expiry of ten years from the date of their arrival. There is no doubt that these ex-indentured Indians have deserved well of the colony. It is to their labour that the present prosperity of Natal is largely due. So recently as July 1903, Sir Leige Hulett, ex-Prime Minister of Natal, bore the following testimony on this point:—

The condition of the colony before the importation of Indian labour was one of gloom, it was one that then and there threatened to extinguish the vitality of the country and it was only by the Government assisting the importation of labour that the country began at once to revive. The coast had been turned into one of the most prosperous parts of South Africa. They could not find in the whole of the Cape and the Transvaal what could be found on the coast of Natal—10,000 acres of land in one plot and in one crop—and that was entirely due to the importation of Indians. . . . Durban was absolutely built up by the Indian population.

And yet these Indians who have done so much for the colony have for years past been making bitter complaints of the unjust and oppressive manner in which they are

being treated. The early policy of inducing ex-indentured Indians to remain in the colony was gradually given up and during the last fifteen or twenty years one of the principal concerns of the colonist in Natal has been how to get rid of the free Indian element there. A number of expedients have been tried to make their lot intolerable, of which the most serious, so far as the ex-indentured community is concerned, is the imposition by an Act of 1896 of an annual license of £3 for every male above the age of 16 and every female above the age of 13. My Lord, it is difficult to speak in terms of due restraint of this outrageous impost. It is a matter of some satisfaction that a Bill has now been introduced in the Natal Legislature to do away with this license so far as women are concerned. But the latest papers from Natal show that the measure has already been whittled down in committee and that instead of exempting all women it is now proposed to vest a discretion in the Magistrate to grant exemption in such cases only as he deems proper. This cruel impost which has to be paid by ex-indentured Indians in addition to the £1 poll-tax, which everybody has to pay in Natal, has already caused enormous suffering; it has broken up families, it has driven men to crime, and, grave as the statement is, it must be made, for I see it repeated in the Natal Legislature and practically corroborated by the Commission appointed by the Natal Government last year, it has driven women to a life of shame. My Lord, who are these people who are called upon by the Colony to pay this annual license of £3 for the right to remain in the Colony? They are probably persons whose experience of indenture has been none too kind and who are therefore unwilling to indenture themselves again; who at the same time, not having been able to lay by anything during the period of indenture, and having probably lost caste in India by reason of their going to Africa, dare not return to this country to face a life of poverty added to social disgrace, and who therefore have no choice but to stay in South Africa for whose sake they have left their country and to whose service they have given five of their best years. I think the Natal Government ought to be urged to withdraw at once this iniquitous impost. It is not however



only the presence of the ex-indentured Indians to which the colonists object.

They also object to the Indian trading community whose number is about 15,000 to-day and who have been feeling the weight of harsh and unjust treatment for the last fifteen years. At one time this community possessed both the political and the municipal franchise. The political franchise was, however, withdrawn in 1896, and during the last two years attempts have been made to take away the municipal franchise also. Then during the last five years endless trouble and much suffering and loss have been occasioned by the absolutely arbitrary manner in which the licenses to trade have been withdrawn or refused, the persons ruined not even being permitted to appeal to the Supreme Court. During the last two months a little improvement has taken place in connection with this question, for an Act has been passed, probably under pressure from the Government of India, allowing again appeals to the Supreme Court, where renewals of licenses are refused. This, however, removes only a part of the grievance, because there is still no appeal to the Supreme Court where new licenses are refused or permission to transfer licenses is withheld. Again, since last year, the educational facilities enjoyed by the free Indian community have been greatly curtailed, there being now no provision for the education of Indian boys above the age of 14 or for Indian girls of any age. In 1908, two laws were passed by the colony which were subsequently disallowed by the Imperial Government proposing to extinguish altogether the Indian trading community in the colony in ten years. My Lord, the whole policy of Natal to-day towards the Indian population is an utterly selfish and heartless policy, and the only way in which any relief can be obtained is by the Government of India adopting a stern attitude towards the colony in return.

I have so far dealt with the position of Indians in Natal. Let us now glance briefly at the state of things in the Transvaal. The agitation of the last three years in that colony has overshadowed the standing grievances of the

Indian community there, which date from the time of the Boer Government. These grievances are three: In the first place, Indians cannot acquire any political or municipal franchise in the Transvaal. Secondly, they cannot hold any immoveable property there. And, thirdly, they are liable to be confined to residence in locations. In addition to these three grievances the doors of the Transvaal have since 1907. been absolutely shut in the face of all Indians, who were not there before the war, no matter what their status or qualifications may be. Alone among British colonies, the Transvaal has placed statutory disabilities on His Majesty's Asiatic subjects in the matter of entering that colony. Alone among British colonies the Transvaal has sought to inflict galling and degrading indignities and humiliations on His Majesty's Indian subjects. The protest which the Indian community of Transvaal has made against these disabilities and indignities during the last three years has now attained historic importance. It is not necessary for me to go on this occasion into its details because the story has now been told from a hundred platforms in the country. The struggle has not yet ended—the end is not even in sight. But India has no reason to be ashamed for the part which her children have played in this struggle. The Indians in the Transvaal have suffered much for the sake of conscience and of country, but they have done nothing unworthy. And they have throughout been most reasonable. They have not asked for unrestricted Asiatic immigration into the Transvaal. They have only insisted that there shall be no statutory disabilities imposed upon their race, and that legislation subjecting them to degrading indignities shall be repealed. So far no relief has been forthcoming. But perhaps the darkest hour is already passed and the dawn is not now far. Of the Indian position in Orangia, not much need be said. The doors of this colony are shut against all Asiatics except such as want to enter as domestic servants, and there are about a hundred Indians to-day there in that capacity. There were Indian traders at one time in Orangia, but they were forcibly turned out of the colony by the old Boer Government about 1893, and since then no others have been allowed to get in.

Lastly, I come to Cape Colony. Here on the whole a liberal policy is pursued towards Indians and with the exception of East London the colony treats Indians fairly well. The total number of Indians in this colony is about 15,000. They are permitted to acquire both the political and the municipal franchise, and though they have difficulties in the matter of obtaining licenses to trade and at times considerable suffering and loss has been caused by arbitrary refusals to grant or renew licenses, on the whole the position is much more satisfactory than in other parts of South Africa. In East London things are no doubt bad, but it is only a small part of Cape Colony.

The resolution recommends that the Governor-General in Council should acquire statutory powers to prohibit altogether if necessary the supply of indentured labour to the colony of Natal. Under the law as it stands at present the Government does not possess these powers and that I am sure is a serious handicap to the Government in any negotiations into which it may have to enter with the Government of Natal on questions connected with the treatment of Indians in that colony. It is of course true that the mere taking of these powers does not mean that they will be necessarily exercised. Still this resolution if accepted by the Council to-day will be an indication to South Africa generally and to Natal in particular as to how strong and deep is the feeling which has been roused in this country by their anti-Asiatic policy. The idea of stopping the supply of Indian labour to Natal is not a new one. Immediately after the close of the Boer War, Lord George Hamilton, in addressing a deputation headed by Sir Lepel Griffin, made an emphatic declaration that unless Natal treated the Indian community more fairly the Government of India might be driven to this course. But obviously Natal has never taken such a threat seriously; for had it done so it would not have endeavoured, as it has steadily done, to make the position of the free Indian community worse than before, also its representatives in its Legislative Assembly would not be talking to-day with easy assurance of getting the Government of India to agree to the proposal that the indenture-

of indentured immigrants should terminate in India or on high seas.

My Lord, I sincerely trust that to-day's proceedings in this Council will open some eyes at least in South Africa. I think the power to stop recruitment of indentured labour for Natal should go a considerable way in securing from the Natal Government fair terms generally for the Indian community resident in the colony. Natal needs our labour. It cannot do without it. A number of its industries largely, almost entirely, depend upon it, and they would be paralysed if this labour was withdrawn. On this point the testimony of the Commission appointed by the Government of Natal to consider the question of Indian immigration is conclusive. This is so far as Natal is concerned. The actual effects of the suggested prohibition if carried out will, however, probably go beyond Natal and extend to the Transvaal. For, as the Natal Commission of last year points out the withdrawal of indentured Indian labour from Natal will necessitate a corresponding withdrawal of the Kaffir labour of Natal from the Transvaal, I think the present is an especially opportune moment for the Government of India to acquire the power proposed in this resolution. Not only has public attention in this country and England been drawn to the condition of Indians in South Africa as it was never drawn before but the control of the Asiatic Legislation in South Africa will shortly pass from the several Colonial Legislatures to the Union Parliament which will meet in October. This Parliament will be largely dominated by Cape Colony views as nearly one-half of its members will be from Cape Colony. Very probably Mr. Merriman will be the first Federal Prime Minister, and he declared himself only the other day in favour of a just and uniform policy towards Indians in South Africa, by which he no doubt meant the Cape policy. It is possible therefore that strong representations made by the Indian and Imperial Governments on behalf of Indians backed by the power which this resolution suggests may prove more effective at this juncture than they have hitherto been in securing a redress of several of our grievances. My

Lord, I urge this resolution on the acceptance of the Council because I believe it will prove of some use in remedying the evil from which we suffer. But I confess that even if there had been no chance of its proving in any degree effective, I should still have proposed it because I think it is necessary for us now to mark in a formal and responsible manner our resentment at the treatment meted out to us by the South African Colonies and not to take that treatment entirely lying down. At the same time I recognise that the problem by which we are confronted is one of enormous difficulty and that while threats of reprisals might go some way, our main, indeed our real reliance, must continue to be upon a constant appeal to those immutable principles of justice and humanity which alone can form the enduring foundations of a great empire.

Behind all the grievances of which I have spoken to-day three questions of vital importance emerge to view. First, what is the status of us, Indians, in this Empire? Secondly, what is the extent of the responsibility which lies on the Imperial Government to ensure to us just and humane and gradually even equal treatment in this Empire? And, thirdly, how far are the self-governing members of this Empire bound by its cardinal principles? Are they to participate in its privileges only and not to bear their share of its disadvantages? My Lord, it is not for me to frame replies to these questions—it is for the Imperial and Colonial statesmen to do that. But I must say this, that they are bound to afford food for grave reflection throughout this country. I think I am stating the plain truth when I say no single question of our time has evoked more bitter feeling throughout India—feelings in the presence of which the best friends of British rule have had to remain helpless—than the continued ill-treatment of Indians in South Africa.

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## INDENTURED LABOUR.

*[On 4th March 1912, Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council recommending the prohibition of the recruitment of Indian indentured labour, spoke as follows :—]*

Sir, I rise to move that this Council recommends to the Governor General in Council that the Government of India should now take the necessary steps to prohibit the recruitment of Indian labourers under contract of indenture, whether for employment at home or in any British Colony.

Hon'ble Members will remember that two years ago this Council adopted a Resolution recommending that the Governor-General should obtain powers to prohibit the recruitment of indentured labour in this country for the Colony of Natal. The Government, who accepted that recommendation, gave effect to it by carrying through this Council the necessary empowering legislation, and the new law was put into operation on the 1st July last against Natal. I respectfully invite the Council to-day to go a step further and recommend that the system of indentured labour should now be abolished altogether. It is true that the Resolution of two years ago was adopted by this Council principally as a measure of retaliation rendered necessary by the continued indignities and ill-treatment to which our countrymen were subjected in South Africa; but my own view, expressed even then in this Council, was that apart from the question of retaliation the system should be abolished because it was wrong in itself. I do not think it necessary to describe to this Council at any length what this system really is. Its principal features may roughly be stated to be six in number. Under this system, those who are recruited bind themselves, first, to go to a distant and unknown land, the language, usages and customs of which they do not know, and where they have no friends

or relatives. Secondly, they bind themselves to work there for any employer to whom they may be allotted whom they do not know and who does not know them, and in whose choice they have no voice. Thirdly, they bind themselves to live there on the estate of the employer, must not go anywhere without a special permit, and must do whatever tasks are assigned to them, no matter how- ever irksome those tasks may be. Fourthly, the binding is for a certain fixed period, usually five years, during which time they cannot voluntarily withdraw from the contract and have no means of escaping from its hardships, however intolerable. Fifthly, they bind themselves to work during the period for a fixed wage, which invariably is lower, and in some cases very much lower, than the wage paid to free labour around them. And sixthly, and lastly, and this to my mind is the worst feature of the system, they are placed under a special law, never explained to them before they left the country, which is in a language which they do not understand, and which imposes on them a criminal liability for the most trivial breaches of the contract, in place of the civil liability which usually attaches to such breaches. Thus they are liable under this law to imprisonment with hard labour, which may extend to two and in some cases to three months, not only for fraud, not only for deception, but for negligence, for carelessness and—will the Council believe it?—for even an impertinent word or gesture to the manager or his overseers. These, Sir, are the principal features of the system and when it is remembered that the victims of the system—I can call them by no other name—are generally simple, ignorant, illiterate, resourceless people belonging to the poorest classes of this country and that they are induced to enter—or it would be more correct to say are entrapped into entering—into these agreements by the unscrupulous representations of wily professional recruiters, who are paid so much per head for the labour they supply and whose interest in them ceases the moment they are handed to the emigration agents, no fair-minded man will, I think, hesitate to say that the system is a monstrous system, iniquitous in itself, based on fraud and maintained by force, nor will he, I think, demur to the statement that a

system so wholly opposed to modern sentiments of justice and humanity is a grave blot on the civilization of any country that tolerates it. Let the Council glance briefly at the origin and the history of the system, and it will at once be struck by three facts which in themselves are a sufficient condemnation of the system. The first is, that this system of indentured labour came into existence to take the place of slave labour after the abolition of slavery. This is a fact admitted by everybody, and Lord Sanderson's Committee, whose report I have before me, put it in the very forefront of its report. The second fact is that it is a system under which even the negro, only just then emancipated, scorned to come, but under which the free people of this country were placed. And, thirdly, what strikes one is that the conscience of Government—and by Government I mean both the Government of India and the Imperial Government—has been very uneasy throughout about this question, as may be seen from various inquiries ordered from time to time into the working of the system, its repeated suspension for abuses, and its reluctant resumption under pressure from planters. The first, and in some respects the most important, inquiry that was held was due to the action that the Parliament in England took at the very start in this matter. As I have already mentioned, the system came into existence about the year 1834, after the abolition of slavery. In 1837 the matter attracted the attention of Parliament, and in the debate on the question that followed the system was denounced in strong terms by Lord Brougham and Mr. Buxton, and other great Englishmen of that time. The result was that the system was discontinued at once and an inquiry was ordered into its nature and working. A Committee of four gentlemen was appointed, who sat in Calcutta and considered the whole subject. The Committee, after a very careful investigation, submitted a majority and a minority report. Three members out of four condemned the system altogether, and urged that it should not be allowed to come into existence again. Only one member expressed himself in favour of reviving the system under certain safeguards which he suggested. The matter went back to Parliament; but the Parliament, already exhausted



by the great effort that it had made in connection with the abolition of slavery and wearied by the constant wail of planters in regard to the ruin that was threatening them, ultimately followed in this case a somewhat extraordinary procedure and adopted the minority report of one member, as against the majority report of three members. And this was done in a very thin House, only about 150 members being present. As a result of this vote, the system was allowed to be revived in the year 1842. The conscience of the Government, however, has continued troubled, and there have been, since then, numerous other inquiries into the working of the system, resulting in its temporary suspension, followed unfortunately by its resumption again owing to the influence of the planters. I will give the Council a few instances. In Mauritius the system was introduced in 1834, was suspended in 1837 on account of the debate in Parliament, to which I have already referred, and was resumed in 1842, after that vote in the House of Commons. It was, however, suspended again in 1844, was resumed in 1849, and was finally stopped last year; at any rate, there is no more any indentured immigration into Mauritius. In British Guiana, the system was suspended in 1838 under the action of the House of Commons, it was resumed in 1844, was suspended again in 1848, and was resumed in 1858. In Trinidad, where it began in 1844, that is after the Parliamentary action I have spoken of, it was suspended in 1848 and was resumed in 1851. In Jamaica it began in 1845, was suspended in 1848, resumed in 1860, suspended again in 1863, resumed in 1869, suspended once more in 1876 and was resumed in 1878. I am omitting the later suspensions and resumptions which were due to indentured labour not being temporarily required by the Colony. In Natal, the system began in 1860, it was suspended in 1869 and was resumed in 1872. Even in Assam, where the system was introduced in 1859, there were inquiries held in 1861, 1868, 1881 and 1895. I have not included in this list the last enquiry of 1906, because it was not undertaken to inquire into the abuses of the system. Now, Sir, these facts clearly show that the Government has been torn throughout between two sets of

considerations—one, a natural feeling of sympathy for the material interests of the white planters, and the other a regard for the humanitarian standards of administration which characterise all modern Governments.

I have so far dealt with facts connected with this question that lie on the surface. I will now deal in greater detail with the principal objections to the system, and I will then say a word about the arguments used in its favour by its supporters. The principal objections to the system are roughly five: The first is naturally its utter inequity. Sir, whatever view one may take of the agreements into which these poor people are made to enter under the system, to dignify them by the name of 'fair contract' is to misuse the English language. For the stream is poisoned at its very source. It is significant that nobody has a good word to say for the professional recruiters who entrap and entice away these poor people. The recruiters are admittedly men who are generally ignorant and unscrupulous, and who, with the exception of perhaps a very few, have never been to the Colonies for which they recruit, and who, being paid so much per head, try by hook or by crook to get into their meshes as many persons as they can. The Government of India stand aside on the plea that it is a fair contract between the emigrant and his future employer. Sir, how can a contract be called a fair contract, the two parties to which are most unequally matched? How can it be a fair contract when one party to it is absolutely in a state of ignorance and helplessness, and the other party—the powerful party—takes care that it shall not know how much of it is undertaking to abide by. Take, for instance, the penal nature of the contract. The terms that are explained to the emigrants, when they enter into indenture, never include a statement of the penal nature of the law under which they have to live. Here, in Volume III of the Sanderson Committee's report the Council will find the agreements for the different Colonies reproduced. There is not a word here about the penal liabilities thrown on the poor creatures by the special laws under which they must live in the several Colonies. If this single fact is explained to them before they agree

to emigrate, namely, that they would be placed in the Colonies not under the ordinary civil law for the enforcement of the contract but under a special penal law rendering them liable to imprisonment with hard labour even for trivial faults, I should like to see how many even of such ignorant, resourceless people agree to go to these distant places. I say, therefore, that the stream is poisoned at the source; that it is not a fair contract; that it is a contract between two parties that are absolutely unequally matched, a contract vitiated by the fact that most important facts in connection with it are kept from the knowledge of one party.

In this country, Sir, the Government have from time to time enacted laws for the special protection of the peasantry. In the Bombay Presidency, for instance, we have the Dekkhan Agriculturists' Relief Act. In the Punjab some time ago legislation was passed restricting the right of the agriculturist to alienate land. The theory that underlies such legislation is that persons who are ignorant and resourceless, do not stand on terms of equality with those who are well-to-do and who possess knowledge, and that a contract between two such parties is not necessarily a fair contract. The State, therefore, has a right to look into such contracts carefully, to go behind them, so to say, for the purpose, and then decide how far they should be enforced. If this is the case where only civil liability attaches to contracts, how much more should that be the case where penal liability is thrown on the party—and that the weaker party—under the contract? I therefore say that this system is altogether iniquitous. The apologists of the system, however, urge that there are safeguards provided to prevent hardship and injustice to the emigrants when they go to their respective colonies; two such safeguards are specially mentioned; one is that in every colony there is an officer known as the Protector of Immigrants, specially to look after the interests of indentured immigrants. And secondly, there are the Magistrates to give the protection of the law to the immigrants against any cruelty that may be practised on them by their employers. Sir, these safe-

guards look all right on paper; in actual practice, however, both are found to be more or less illusory. These men—the Protectors and the Magistrates—are officers of the Colonial Governments. They belong to the same class to which the planters belong. They are generally one in sympathy and in interests with the planters: and it is not in ordinary human nature that they should care to displease those with whom they have to live, with whom they have to mix socially—and all this for granting protection to the poor, ignorant people from a distant land, in whom their interest is purely official. Sir, if the Council has any doubt in the matter, let it turn to the evidence that is contained in the second volume of the Sanderson Committee's Report. I invite the Council to go through the evidence of a Protector named Commander Coombes; I must also ask you to read the evidence of another witness who had once been a Protector, named Mr. Hill; and I lastly ask you to go through the evidence of a Magistrate from Mauritius, a gentleman named Mr. Bateson. Commander Coombes was Protector of Immigrants in Trinidad in the West Indies; Mr. Hill was a Protector in the Straits Settlements, that is, on this side nearer home; and Mr. Bateson was a Magistrate in Mauritius. Of the three witnesses, Commander Coombes is frankly a friend of the planters; he makes no secret of the fact that he is there nominally as a Protector of the Immigrants, but really to see that they do the work for which they are taken to the colony. It comes out in the cross-examination of this gentleman that he is himself a planter, and one can easily see where his sympathies must be on account of his position as a planter. Of course he takes care to say that he himself does not employ indentured labour, but he is obviously very much alive to the difficulties of the planters in that place. This gentleman uses the word 'we' when he has occasion to speak of the planters. Thus in explaining how he deals with coolies, who complain that they cannot do the work, he says:—*We* send for them, and *we* tell them that they have been brought to this colony for doing their work; and if they do not choose to do so, they will have to do work for Government for nothing in jail; and it is left for them to choose either the one or the

other !' The whole evidence of this witness shows an attitude of complete identification with the interests of the planters and of hostility to the interests of the immigrants, and it is an irony that he should have the title of Protector of Immigrants. The other Protector I have mentioned, Mr. Hill, is of another type altogether—a very rare type, but a type that does honour to the English name. In spite of the fact that socially and in other ways his life was bound up with that of the community in whose midst he was placed, he stood up boldly in defence of the interests of the immigrants and thereby incurred the serious displeasure of the planters. And what was the result? He was removed from his office before his term had expired. He found that the mortality among the indentured population in the Straits Settlements in his time was very high, and he drew the attention of the planters to that and insisted on their carrying out strictly the terms of the ordinances concerning the health of indentured labourers. The answer of the planters was to remove him from his office, and to appoint another in his place, even before the expiry of the time for which his appointment was made. And because he was a strong man, who would not take such treatment lying down, the Colony had to pay him £2,500, being his salary for the unexpired period for which he should have held office. They paid him the full salary for the unexpired period, because they thought that that was a smaller evil to them than his being there to protect the interests of the immigrants. The third witness, to whose evidence I call the attention of the Council, is a Magistrate from Mauritius—Mr. Bateson. I have already told you how these poor creatures are liable to be punished with hard labour for the most trivial faults—even for an impertinent word or for an impertinent gesture. Mr. Bateson speaks out strongly against this. It is impossible for me with the limited time at my disposal to read to the Council any portions of this important evidence, but I must ask Hon'ble Members to mark specially two or three of Mr. Bateson's statements. In one place, he says, 'the system resolved itself into this—that I was merely a machine for sending people to prison.' In another place he says, 'there is absolutely no chance of the coolie being

able to produce any evidence in his own favour; the other coolies are afraid to give evidence; they have to work under the very employer against whom they may be called upon to give evidence.' He says that even if a coolie came before him with marks of physical violence on his body, it was practically impossible to convict the person charged with assaults for want of corroborative evidence. Then he says, 'it was a most painful sight to him to see people handcuffed and marched to prison in batches for the most trivial faults.' Well, I do not wish to dwell at greater length on this evidence; but those who will go through it will know what value to attach to the statement that the presence of the Magistrate in these Colonies is a safeguard to the coolie against ill-treatment. So much then about the illusory nature of the safeguards. My third objection to this system is the vast and terrible amount of suffering that it has caused during the 75 years that it has been in existence. Sir, it is difficult to speak in terms of due restraint on this point. Even the hardest heart must melt to think of this phase of the question. I will not speak now of the imprisonments with hard labour endured for trivial faults; I will not speak of personal violence which in some cases has been proved and very many cases could not be proved, though alleged. I will not speak of the bitterness engendered in the minds of thousands when they realised that they had been deceived, that they had been entrapped, and that there was no escape for them. I will not speak of the homesick feeling, destroying their interest in life. These are all serious matters that could be charged against the system. But more serious even than these is the heavy mortality that has prevailed in the past in all colonies under the system, a mortality which has been examined from time to time by Commissions of Inquiry and which has been established beyond doubt—a mortality for which indentured emigration was prohibited to Federated Malay States only last year, and which even to-day is admitted to exist in certain districts of Assam amongst the statute labourers. Then the numerous suicides which have resulted from the system—poor, innocent people preferring death with their own hands to life under it—are a ghastly feature of the system. And, Sir, last, but not

least, the unutterable tragedy and pathos of men and women, at a distance of thousands of miles from their homes, knowing full well that the vast sea rolled between them and their native country, starting actually to *walk* back to their country, imagining in their simplicity and ignorance that there must be a land route somewhere, and either caught on their way and forcibly taken back to the life from which they were fleeing or else devoured by wild beasts or perishing of hunger and cold ; all this, Sir, constituted a sum total of human misery which is appalling to contemplate, and which will be a standing witness against the system for all time. It is true that things are somewhat better now, but they cannot be very much better under a system which has inherent characteristics such as those that I have described. Moreover, as Lord Curzon said in this Council in 1901, even if such cases have occurred only in a few instances, the very fact that such cases can occur under the system constitutes a severe condemnation of the system.

Sir, my fourth objection to the system is the frightful immorality that is inseparable from it. This is a fact which has been admitted by everybody, among others by the Government of India and by the Sanderson Committee. The Committee, who deal with all other phases of the indenture question, carefully avoid making any recommendation as to how the frightful immorality involved in the system may be remedied. Under the law, every hundred male indentured labourers must be accompanied by 40 females. Now very few respectable women can be got to go these long distances; our men themselves do not really care to go, much less do the women. The statutory number, therefore, is made up by the recruiters, and, as admitted by the Government of India in one of their despatches to the Secretary of State, by including in it women of admittedly loose morals, with results in the colonies which one had better leave to the imagination of the Council than describe. Sir, this frightful immorality has characterized the system from the very first. As Mr. Jenkins, who was afterwards first Agent General of Canada, said in 1870, 'the women are not recruited for

any special work, and they certainly are not taken there for ornamental purposes.' He also speaks of the immoral relations existing not only between many of these women and the men for whom they are taken from this country, but also between them and some of the planters themselves and their overseers. It is a shocking affair altogether, a considerable part of the population in some of these colonies being practically illegitimate in its origin.

My last objection to the system is that it is degrading to the people of India from a national point of view. I do not think I need really say much on this aspect of the question. Wherever the system exists, there the Indians are only known as coolies, no matter what their position may be. Now, Sir, there are disabilities enough in all conscience attaching to our position in this country. And I ask, why must this additional brand be put upon our brow before the rest of the civilized world? I am sure, if only the Government will exercise a little imagination and realise our feeling in the matter, it will see the necessity of abolishing the system as soon as possible.

I will now turn for a moment to the arguments which are usually adduced in favour of this system. Briefly they are three. First of all it is said that without this system of indentured labour, the sugar and other industries in many of the colonies will cease to exist; the second argument is that, under the system of indenture, a certain number of Indians make remittances to this country and thus a certain amount of money is received here; and thirdly, that a number of these men, after completing their indenture, settle down in the colonies, become prosperous and attain a status which they could never attain in this country. Now, Sir, so far as the first argument is concerned, I may brush it aside at once; it does not concern us nor does it concern the Government of India, who are here to promote *our* interests. If the planters cannot carry on their sugar or other industries without a continuance of this pernicious system the sooner those industries cease to exist, the better. As regards the remittances made, or the amounts brought to



this country by returned emigrants, considering that these people have been for five years under indenture, the savings are really very small. The average savings brought to India are about Rs. 150 per head; in a few cases, the amount may be higher, Rs. 200 or so, but the average is about Rs. 150. Now Rs. 150, saved in five years, means only Rs. 30 a year or Rs. 2-8 a month. This is not very much after all. The mill-hands in Bombay, for instance, can save much more than that. Again, what about those who save nothing, are broken down in health and spirits, and either perish in the colonies or else are sent back to this country, mere wrecks of their former selves? Finally, as regards those who settled down in the colonies and prosper in the first place, the number of such persons is very small; and secondly, even they have to go through a system with which are associated all the degradation and misery of which I have spoken. When these things are considered, it must be admitted that even if a few persons prosper under that system after the completion of their indenture, the price that has to be paid for such prosperity is far too great.

Sir, I will now briefly refer to the extent of this evil, as it exists at the present moment. I will not deal with the case of those colonies where indentured labour once flourished but has now been stopped. In four French colonies and one English colony it has been stopped on account of abuses; in one English colony it has been discontinued for economic reasons, and in another it has been prohibited as a measure of retaliation. But the system still prevails in three British colonies in the West Indies, namely, British Guiana, Trinidad and Jamaica, and in one Dutch colony named Surinam, about which, however, under our rules I am precluded from saying anything. Then it exists in Fiji, a Crown Colony in Australasia; there is also a small supply of indentured labour to the Straits Settlements; and last, there are four or five districts in the Upper Valley of Assam where the system is still in force. The annual supply to the different colonies comes to a little less than 2,000 in the case of Fiji; about 600 to Jamaica; and nearly 3,000 to Trinidad; and about

2,200 to British Guiana. In Assam the whole labour force is about 800,000, of which the indentured labourers are now only about 20,000. Now taking Assam first—and here I would like to express my obligations to the Hon'ble Mr. Clark for his courtesy in having a note on the subject specially drawn up for me in his office, giving me up-to-date information on the subject—I understand that the Government have decided to stop the system of indenture altogether there from next year. The Hon'ble Sir Charles Bayley stated the other day in one of his speeches in East Bengal that, from July 1st of next year, this system would cease to exist in Assam. Probably the Hon'ble Member in charge of the Department of Commerce and Industry will also make a statement on the subject to-day. As the system will be discontinued from next year in Assam, I do not wish to say anything more about that here. I would, however, like to point out that the Committee, appointed in 1906, recommended the complete stoppage of indentured labour in Assam in the course of five years. They would have liked to stop it earlier, but they did not want to inconvenience the planters, and therefore they suggested an interval of five years. According to that, the system should have been discontinued in 1911. And I should like to know why it has been allowed to go on for two years more. That is, however, comparatively a small matter. But, Sir, if the Government has decided to stop the system in Assam, where its working can be watched under its own eyes, I cannot see why it should be allowed to continue in the case of distant colonies, where there can be no such supervision. The position of those who urge the abolition of the system becomes now all the stronger on account of the Government contemplating its abolition in Assam.

Then, Sir, there is the question of re-indenture in three colonies—in Natal, to which indentured emigration has now been prohibited, in Mauritius, where it has stopped of itself owing to economic causes, and in Fiji, where it is still allowed to continue. This re-indenture is one of the most vicious parts of the system, because though a man may indenture himself at the start only for five years, by

means of repeated re-indenture he could be kept in a state of perpetual servitude. And this has become a most serious question now in Natal. There the Government of the colony imposes an annual £3 tax on all ex-indentured labourers who want to settle there as free persons. All those who have been emancipated since 1901—males above 16, and females above 13—have to pay this £3 tax. Now see how it works in practice. Take a family of husband and wife and four children—two daughters of 13 and 15 and two boys below 13. The family must pay the tax for four persons—father, mother and the two daughters—or £12 a year, that is, £1 a month. The man can earn an average wage of about 25 shillings a month, and the wife and the two girls may earn among them about 15 shillings extra, that is, which means a total income of 40 shillings or £2 a month for the family. Of this, half or £1 has to be paid as license-tax. Then there are other taxes; and there is house-rent. The Council may judge how much can remain after deducting these expenses for food and clothing for six persons. Is it any wonder that this tax has broken up homes—as has been admitted by prominent Natal men—that it has driven men to crime and women to a life of shame? Sir, there is no doubt whatever that the tax is nothing less than a diabolical device to drive the poor Indians either into re-indenture or else out of the colony. It is, therefore, a matter of the utmost importance that the Government should take the earliest possible steps to bring this miserable system of re-indenture to an end. I may mention that the Sanderson Committee has strongly recommended the stoppage of re-indenture.

One word more, Sir, and I will bring my remarks to a close. Sir, this is a question which really throws a great responsibility upon the Government. I am aware that the Government of India have from time to time taken up the position that they maintain an attitude of neutrality in this matter, that they do not themselves encourage indentured emigration, but that if people choose to accept certain terms and go, it is not for them to interfere. I would only ask the Council to contrast this attitude with the attitude which the Government have adopted in regard.

to the peasantry of the country, in legislating on lines to which I have already referred. I do not think that the Government can absolve themselves from their responsibility in this manner. In the first place, the recruiters are granted licenses to recruit by District Magistrates. That, in itself, imposes a responsibility upon the Government, because, by granting licenses to these persons, the Government make themselves to a certain extent responsible for the representations by which these men secure recruits. Then the Magistrates, before whom the poor emigrants are taken and made to enter into agreements, are the servants of Government. The third and last point is that, though the fact about the penal nature of the contract has been carefully kept out of all agreements all these years, the Government have so far taken no steps whatever to remedy this. I would like to know from the Hon'ble Member, when he rises to reply, why this has happened, and how the Government explain their inaction in the matter. If a penal liability is not necessary to the system, I shall gladly withdraw the greater part of my objection to the system. If you are prepared to abolish the penal nature of the contract under which these labourers have to work, the rest would be comparatively a very simple question, and I shall not press this motion to a division; but, as I understand it, the penal provisions are the very essence of the system; without them the system cannot be worked. If penal liability is thus indispensable, I ask why the Government have not taken steps all these years to see to it that this nature of the contract is explained to the emigrants before they enter into their agreements? Sir, this is really a most serious question, for whatever the Government may say, as a matter of fact, everybody in the country believes that without the countenance of Government, the system could not have gone on so long. India is the only country which supplies indentured labour at the present moment. Why should India be marked out for this degradation? The conscience of our people, unfortunately asleep too long, is now waking up to the enormity of this question, and I have no doubt that it will not rest till it has asserted itself. And I ask the Government not to make the mistake of ignoring a sentiment that is dear

to us, namely, the sentiment of our self-respect. We have no doubt plenty of differences between the Government and the people in regard to the internal administration of this country; but those are matters which stand on a different footing. Outside the country, the Government of India must stand up for us on every occasion; must stand up for our dignity, for our honour, for our national pride. If they will not do this, to whom else can we turn? I feel, Sir, that though this system has been allowed to exist so long, yet its days are really numbered. It will soon cease in Assam, and then it cannot last very much longer in the case of the colonies. And I am confident that a people who have spent millions upon millions in emancipating slaves, will not long permit their own fellow-subjects to be condemned to a life which, if not one of actual slavery, is at any rate not far removed from it. Sir, I beg to move the Resolution which stands in my name.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows:—]*

Sir, the Council has heard two speeches against this motion, one from the Hon'ble Mr. Fremantle and the other from the Hon'ble Mr. Clark; and I will first deal with what has fallen from Mr. Fremantle. The Hon'ble Member began by complaining—and in that complaint the Hon'ble Mr. Clark joined later on—that I had referred only in passing to the recommendations of the Sanderson Committee. Sir, it is quite true that I made only a very passing reference to the deliberations of that Committee. Shall I tell you why? It was because I was very much disappointed with some of the recommendations of that Committee. I think the whole standpoint from which the Committee approached the question was faulty. But the responsibility for that lay with the terms of reference. The Secretary of State had appointed the committee, as the terms of his minute show, to consider—

the general question of emigration from India to the Crown colonies, and the particular colonies in which Indian immigration may be most usefully encouraged and so on.

Thus the standpoint from which the members were invited to approach the question was not whether indentured emigration should be permitted from India but how Indian emigration should be encouraged to the Crown Colonies. The Secretary of State started with the assumption, and the committee took up the assumption, that Indian immigration was necessary for the Crown Colonies, and the question to be considered was how it was to be encouraged. That being so, whatever was against indentured emigration was more or less lost sight of and whatever went to favour such emigration was prominently brought forward. Even so, there are statements in the report which go to show that if the Committee could have recommended the abolition of indenture, they would have gladly done so. One has only to read between the lines of the report to see that it is so. But being convinced that Indian emigration to the colonies was possible only under contract of indenture, and impressed with the idea that without such emigration the interests of the colonies would be jeopardized, the Committee could not but make the recommendations which it has made. Sir, the Hon'ble Member has told the Council that though the penal provisions of the contract are not stated in the agreements or explained beforehand, after all the coolies who go under the system understand what they are going to do in the colonies. This, coming for my Hon'ble friend, is surprising. Let me appeal in the matter from Mr. Fremantle, Official Member of this Council, speaking against my Resolution, to Mr. Fremantle, member of the Sanderson Committee. The report of the Committee, which the Hon'ble Member has signed, says:—

We have heard from many colonial witnesses who gave evidence before the Committee that Indian emigrants, when drawn from the agricultural classes, make excellent settlers and that a large proportion do actually settle down either on the sugar and other plantations or on holdings of their own. Yet it seems doubtful whether the majority of the emigrants leaving India fully realise the conditions of the new life before them or start with the deliberate intention of making for themselves a home in a new country. They go because they are uncomfortable at home and welcome any change of circumstances. They have quarrelled with their parents or their caste fellows, or they have left their homes in search of work and have been unable to find it. Many are not recruited in their own village. The recruiters hang about the bazaars and the

high roads, where they pick up loiterers and induce them to accompany them to the depots and agree to emigrate by relieving their immediate wants and by representations, no doubt often much overdrawn, of the prospects before them. The male emigrant more often than not is accompanied by any member of his family, and, indeed, the family is frequently not even aware that he has left the country until (possibly some years afterwards) he re-opens communications. Since, except in times of scarcity or of famine, the supply of casual recruits of this kind is not likely to be large at any one place, the net of the recruiters has to be spread far afield, and we hear of their operations in Delhi, in Rajputana and in Bundelkhund, where there is certainly no congestion of population, but, on the other hand, constant complaints of insufficiency of labour both for agricultural and industrial purposes. The same is the case in Calcutta, where about one thousand emigrants are registered yearly, and still more so in Cawnpore, where the local Chamber of Commerce has on several occasions called attention to the prevailing scarcity of labour and deprecated the encouragement of emigration to the colonies.

That shows, Sir, how much these poor people know about the life to which they are going, and how far the contract is a free contract.

Then, Sir, my Hon'ble friend said that whatever abuses there might have been at one time, there were no serious abuses now. I will mention to the Council certain facts brought to the knowledge of the Committee by one of the witnesses, Mr. Fitzpatrick, to whom Mr. Fremantle has himself referred. Mr. Fitzpatrick mentions two cases of serious abuse and they are both of them really significant of the feeling which still prevails in the colonies on the right of indentured labourers to proper treatment. Both cases, it should be remembered, were tried in Courts, and in both cases convictions were obtained. This is what Mr. Fitzpatrick says :—

To put it briefly. Four overseers on Hermitage Estate, Trinidad, beat several indentured emigrants, and amongst them a woman. One of the male immigrants laid a charge of assault and battery and the overseers were fined 10 shillings each.

One of the blows received by the female immigrant was on her abdomen. She being pregnant at the time, abortion immediately took place, thus endangering her life.

The immigration authorities for so serious an offence were satisfied to lay a charge against the overseer for the minor charge

of assault and battery. The Magistrate fined the accused £2 only and £3 as compensation.

The charges for beating the other two immigrants were withdrawn by the Inspector. On the 29th September, four immigrants were charged for assaulting an overseer. They were not fined but sentenced to three months' hard labour.

I will leave it to the Council, Sir, to say, after this, if there are now, no abuses under this system.

Then, Sir, the Hon'ble Member says that serfdom exists even in India. If that is so, the Government should deal with that at once. I do not know of any instances of serfdom that may exist in this country. But if serfdom does exist here, by all means let it be put a stop to at once. We must distinguish, however, between the kind of serfdom that Mr. Fremantle mentions and the serfdom that the system of indenture imposes upon indentured people. In the cases which the Hon'ble Member mentions, is there the right of private arrest? Are there imprisonments with hard labour for negligence, for carelessness, for impertinence or for things of that kind? That really is the essence of my complaint about the system. The Hon'ble Member has told the Council that he could not understand why the non-official Members of the Council should make so much fuss about this matter. He did not say it in so many words, but that is what he meant. But practically the same thing was said when proposals to abolish slavery were first brought forward. The friends of the planters in the House of Commons, when the question was brought forward there, said that the slaves were contented and they could not understand why the abolitionists wanted to disturb the contentment and the harmony of their lives. The Hon'ble Member said that Indians in the colonies certainly would not thank me for bringing forward this Resolution. Sir, I am quite content that he should earn their thanks by opposing the Resolution. Be his the thanks which the champions of slavery expected to receive from those who were anxious to continue in slavery! Be mine the denunciation, with which the advocates of abolition were threatened by those champions at the hands of slaves, unwilling to be free!



One more remark of Mr. Fremantle's I must notice. He mentioned the fact that 475 returned emigrants went back again last year, as evidence of the satisfactory conditions of life that prevailed in the colonies for indentured people. But 475 out of how many returned emigrants? If things were really attractive there, why should not a larger number go? I remember to have read in this report (Sanderson Committee's report) an explanation as to why a few men, after coming back to India, again return to the colonies. It is because these people, having stayed for a number of years in the colonies, find it impossible to get back into their old grooves of life in India and after spending some time here and there, and not knowing what else to do when their savings are exhausted, they again go to the colonies in a spirit of venture. The Protectors and the planters, however, do not want them. Indeed, their attitude towards such returned emigrants came out very well in the evidence of Commander Coombes. And curiously it was my Hon'ble friend, Mr. Fremantle, who, in his examination of Commander Coombes, brought out the fact that Protectors and planters do not like to receive returned emigrants, as it is feared that they know the system too well and are sure to poison the minds of other emigrants on the voyage. Mr. Fremantle summed up this attitude in these words:—

It sounds rather as if you wanted to keep the people who come out in the dark as to the conditions in the colony if you discourage returned immigrants.

I am therefore surprised that he should mention the fact of these 475 returned immigrants going back as a sign that the system was satisfactory.

Now, Sir, I will say a few words in reply to what the Hon'ble Mr. Clark has said. I am thankful to the Hon'ble Member for the promise that he has given of inquiring into why the fact of the penal nature of the contract is not mentioned in the agreements. I hope that the inquiry will be satisfactory and that this fact will be prominently brought out in all future agreements. The Hon'ble Member wondered how I could attach any importance to the fact that emancipated negroes scorned to come under

the indenture system, and how from that I concluded that there was something servile about the system. Now, Sir, any man who goes through the third volume of Sanderson Committee's report will see what opinion the emancipated negroes have of the system. In Jamaica there is plenty of emancipated negro labour, but the emancipated negroes require higher wages than what are paid to indentured Indians, and the planters are not willing to pay them because their profits are reduced if higher wages are paid. And what is the result? The negroes are emigrating from Jamaica. The Baptist Union of that Colony has pointed out in one of its representations that the emancipated negroes there are being forced to emigrate elsewhere for want of employment. They do not get the wages they want; they cannot be satisfied with the wages offered to them; and therefore they are compelled to emigrate from the places where they were born, and where they have spent all their lives. The Council will thus see that the emancipated negroes think that the indenture system is not good enough for them; and I am quite justified in drawing from this the conclusion that it is a system unworthy of free or even emancipated men, and I think that that is a sufficient condemnation of the system.

Then, Sir, the Hon'ble Member said that emigrants might be ignorant of the conditions under which they would have to live, when they start, but things are explained to them when they land.

What is the good of explaining things to them when they are ten thousand miles away from their houses? If they were explained before they started, then that would be something.

The Hon'ble Mr. Clark: The Hon'ble Member has misunderstood me. I said that the terms of the contract were explained to them when they were registered and again when they came to the depot before they sailed.

The Hon'ble Mr. Gokhale: I understood the Hon'ble Member to say that the things were explained to them when they reached the colonies. In any case the penal nature

of the contract is not explained to them here, and that is my main argument. Then the Hon'ble Member told us that these laws of the colonies dealing with indentured labourers were laws which had received the assent of the Government of India.

The Hon'ble Mr. Clark: I am sorry to interrupt the Hon'ble Member again. Colonial laws do not receive the assent of the Government of India. What I said was that if we found that the laws and their operation were open to objection, we could always stop emigration.

The Hon'ble Mr. Gokhale: I am sorry that I was not able to hear quite clearly what the Hon'ble Member had said, and I mentioned the impression left on my mind. However, I will mention one instance of how laws passed in the colonies are often approved by the Government of India, as a matter of course. The law in Natal which imposes the £3 annual tax on ex-indentured Indians was passed in 1895, and it was approved by the Government of India. I am quite sure that the approval could not have been deliberate. There was then no separate Department of Commerce and Industry, and the thing must have gone through the ordinary routine, some Under Secretary saying that he saw nothing objectionable in the Act, and thus the Government of India's approval must have been notified to the colony. Well, that is the way in which laws are approved, and that is also the way their operations are watched from this distance. The Hon'ble Member also said there is a provision in the statutes for complaints being heard, that the Protector goes round in many places to hear complaints. Commander Coombes tells us that he visits the estates three times in the year. And what does he do? Before he goes, he sends a notice to the manager, and when he goes round, he is accompanied by him. Under these circumstances how many people will come forward, in the presence of the planter, to lodge complaints before the Protector, who visits an estate after giving proper notice to the manager and after the manager has had time to set everything right? Sir, the whole thing is on the whole a more or less make-believe sort of things and we cannot attach much value to it.

Referring to the argument used by the Hon'ble Sir Vithaldas Thackersey that India wants all her labour for herself and she cannot afford to lose those who emigrate to the colonies, the Hon'ble Member says that such emigration cannot appreciably affect the labour-supply of India. But if the reduction in the labour-supply is so small, the benefit that India gets from the remittances of emigrants is also trivial; so really both factors must be eliminated from our consideration of this matter.

The Hon'ble Member holds that the colonies are a part of the Empire, and that, though the question of their interests does not directly concern us, it cannot be left out of account altogether on Imperial grounds. Well, Sir, if the colonies are a part of the Empire, we too are a part of the Empire. But do the Self-governing Colonies ever take that into account? What have they ever done for us and what obligation rests on us to take the interests of the colonies into our consideration and submit on their account to conditions which, in essence, are not far removed from the servile? Moreover, if the people of India and of the colonies belong to the Empire, so do the emancipated negroes. But what happens to them? It is a heart-rending tale which is told in the appendices to the Sanderson Committee's Report—that of the manner in which these neglected people are driven to emigrate from the colonies in which they were born by want of employment.

Finally, the Hon'ble Member objects to my comparison between this system and slavery. It is true that the system is not actual slavery, but it is also true that it is not far from it. The contract is not a free contract. You have here the right of private arrest, just as they had in the case of slavery. Moreover, the labourer is bound to his employer for five years and he cannot withdraw from the contract during that period. And there are those harsh punishments for trivial faults. Therefore, though the system cannot be called actual slavery, it is really not far removed from it.

One word more, Sir, and I have done. The Government, it is clear, are not going to accept this Resolution. That being so, the Resolution is bound to be thrown out. But, Sir, that will not be the end of the matter. This motion, the Council may rest assured, will be brought forward again and again, till we carry it to a successful issue. It affects our national self-respect, and therefore the sooner the Government recognize the necessity of accepting it, the better it will be for all parties.

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## THE COST OF BUILDING NEW DELHI.

*[On 7th March 1912, the Hon'ble Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council recommending that the cost of building new Delhi should be met entirely out of loan funds, spoke as follows :—]*

My Lord, I beg to move that this Council recommends to the Governor-General in Council that the amount of the loan to be raised during the next year be increased by one crore of rupees, so that the expenditure proposed to be incurred for building new Delhi in 1912-13 should be met entirely out of loan funds and not partly out of next year's estimated surplus.

My Lord, I do not think it is necessary for me to occupy the time of the Council for many minutes in discussing this question, because the issue which the Resolution raises is a comparatively simple one and may be briefly stated. In the Government of India despatch of 25th August last, recommending the administrative changes, recently carried out, to the Secretary of State, the question of the cost of building new Delhi is thus dealt with :—

The cost of the transfer to Delhi would be considerable. We cannot conceive, however, that a larger sum than 4 millions sterling would be necessary, and within that figure probably could be found the three years' interest on capital which would have to be paid till the necessary works and buildings were completed. We might find if necessary to issue a "City of Delhi" gold loan at  $3\frac{1}{2}$  per cent. guaranteed by the Government of India, the interest, or the larger part of the interest, on this loan being eventually obtainable from rents and taxes.

It is quite true that the language of this extract is guarded, but still what the Government mention here is that a loan to be called 'the City of Delhi loan' might have to be raised in order to meet the cost of constructing the new capital. There is no mention made here of spending any money on the new capital out of current

revenues—either out of regular revenue allotments in the budget or out of surpluses. The Hon'ble Finance Member, however, in his Financial Statement explains the course he proposes to adopt in the following words:—

I may say at once that we are not yet in the possession of any estimates of its cost. Plans for the temporary housing of the Government of India headquarters are under preparation; but no plans for the permanent Imperial City are to be thought of until the best available experts have studied and advised upon the project in all its bearings. Meanwhile, my immediate duty has been to devise a scheme for financing the work, a scheme which will be as little onerous as possible to the taxpayers of India. Three possible alternatives have presented themselves throughout. The first, and in some ways the most attractive, would be a special Delhi loan. The second would be to charge the whole expenditure as it occurs against current revenue. The third would be to put the Delhi works on precisely the same footing as our large railway and irrigation works, treating them as capital expenditure and financing them partly from loans and partly from whatever spare revenues remain in each year after meeting our ordinary administrative needs. I shall not weary the Council by the various considerations which decided us, with the full approval of the Secretary of State, to adopt the third of these courses. It will, I believe, commend itself to the financial and commercial community of India. By treating the Delhi operations as ordinary capital work, we ensure the greatest possible elasticity in the provision of funds; we avoid unnecessary additions to our unproductive debt; and I hope we allay the fear—so far as I am concerned a baseless fear—that the new city will be built from the produce of fresh taxation.

The Hon'ble Member goes on further to say that—

If money is easy and we can obtain more than we immediately require, it will lie in our cash balances available for future use. Meanwhile, as we shall now have three sections in our annual capital programme instead of two, we may reasonably enlarge the conventional figure of one crore which we have hitherto endeavoured to secure as our revenue surplus. There is no need to fix any standard surplus; much will depend on the circumstances of the year and on the other interests concerned; but whenever we find ourselves able to budget for a larger surplus than £667,000 without detriment to the other claims upon us, we shall do so until the financing of new Delhi is completed.

It will be seen that in this extract the Hon'ble Member does not confine himself to the idea of building Delhi out of loan funds but makes prominent and even pointed mention of devoting such surpluses as may be available to

the new capital. Now, my Lord, I do not say that there is necessarily any inconsistency between the despatch of the Government of India and the statement which the Hon'ble Member has made. It may be urged that while the despatch of the Government of India merely mentions that it *might* be necessary to raise a loan, it does not bind the Government to build Delhi out of loan funds only; on the other hand, the language of the Hon'ble Member, though it speaks of devoting surpluses to the construction of Delhi, does not exclude the possibility of raising a loan for building the capital. This, my Lord, is perfectly true. But the general impression left on the minds of those who read the despatch undoubtedly was that the new capital would be built out of loan funds, as any one can see from what appeared in various newspapers at the time on the subject. On the other hand, the impression that is strongly created by the words which the Hon'ble Member has used in his Financial Statement is that surpluses would first be devoted to the building of Delhi, and if any more money is required, that would be found by means of loans.

My Lord, the Hon'ble the Finance Member says that he wishes to allay the fear—so far as he is concerned, he thinks it is a baseless fear—that the new city will be built from the produce of fresh taxation. Now, in speaking of fresh taxation, I fear the Hon'ble Member is taking only a technical advantage of certain expressions which have appeared in the Press in this connection. It is true that immediately after the Delhi announcements some newspapers started the cry that the new capital would cost a lot of money, and that fresh taxation would be necessary. But, my Lord, whether the Government imposes fresh taxation for building Delhi or keeps up taxation at a higher level than is necessary for the ordinary needs of the country and secures surpluses which it devotes to Delhi, is after all the same thing. For when you devote your surpluses to this work, you practically take that money out of the current revenues of the country. My Lord, what is a surplus? It is so much more money taken by the Government from the people than what is necessary



for the ordinary requirements of the administration. If the Government could estimate exactly the expenditure, required for a year and could also form an exact estimate of the revenues which would be required to meet that expenditure, then there would be no surplus—at any rate, no large surplus. It is because it is impossible to estimate accurately how much revenue the Government would require in a year that surpluses accrue. But when they so accrue, the fact is clear that, to the extent represented by them, the Government has taken from the people more than what was required for the actual purposes of the administration. Now, my Lord, there are three ways in which a surplus may be expended. You may devote it either to a reduction of debt; or you may devote it to a reduction of taxation; or it may be devoted to expenditure on useful objects in the country. In most Western countries, when a surplus is realized, it is devoted to a reduction of debt. In this country, the practice, though not identical, ultimately results in the same thing. Our surpluses in the first place find their way into our cash balances and from these they are either devoted to expenditure on railways or irrigation, that is, to productive works—which ultimately reduces our unproductive debt by a corresponding amount—or they are directly used for reducing our debt. But whether they are used in the first or second way, the result is ultimately the same, namely, that of reducing our unproductive debt. This, however, has been one of the principal grievances which non-official Members have urged in this Council again and again for several years past. I, for one, have been raising my humble voice year after year against this misapplication of our surpluses since I entered this Council, now eleven years ago. Year after year I have been pointing out that while this may be sound finance in the West, it is not sound finance in this country, where the unproductive debt is really a very small amount. Last year I went at some length into the question as to what was the amount of our unproductive debt. I took all the various liabilities of the Government into consideration, as also all the sums due to it and its cash balances; and I showed that the actual unproductive indebtedness of the Government of

India—putting aside the vast sums that have been spent on railways and irrigation, as they are earning their interest—was about 30 millions sterling only. Since then the Hon'ble Member paid off 2 millions out of last year's opium surplus. And this year he pays off again another million out of this year's opium surplus. Thus, three millions are knocked off, leaving only about 27 millions as representing our net unproductive indebtedness. It is true that the figures of unproductive debt which are given in Government publications are higher, because they do not take into account certain sums which are on the other side, namely, the loans that have been advanced by Government to Native States, to local bodies or to cultivators, and they also leave out of account our large cash balances. Now, an indebtedness of only 27 millions is a mere trifle for a country like India; in any case, there need not be this great hurry to pay it off. If the Government will provide a regular sinking fund of a reasonable amount to pay off the debt, there will be no occasion for anybody to complain. As a matter of fact, there is already provision for such a sinking fund as I pointed out last year. Under Railways there is a sum of a little over eight hundred thousand pounds, which automatically goes to the redemption of debt. Then again, under Famine Relief and Insurance, a sum of nearly half a million is always allotted to avoidance or reduction of debt. A million and a quarter thus, or to be more correct, a million and one-third, is devoted every year to the reduction of debt. At this rate, if no war or great famine or any other extraordinary occurrence of a like nature drives the State to borrow, our entire unproductive debt will be wiped off in twenty years, and that without devoting any part of our surpluses to such reduction. There is not another country in the world where they could claim to be able to do this. In Western countries they have to provide a large sinking fund for the reduction of debt, because their unproductive debts are so large—a thousand million pounds in France, seven hundred million pounds or something like that in England, and corresponding debts in other countries! Where you have such huge debts, it is necessary to provide for a large regular sinking fund, and in addition to devote surpluses,

when they accrue, to the same object. Moreover, the expenditure of Western countries is carried on under the direct control of the representatives of the people. Therefore, Governments in Western countries, being largely dependant on the votes of the people, try to conciliate popular feeling by remitting taxation whenever a suitable opportunity presents itself. Of course I am not speaking of English finance of the last three years; but, speaking generally, the position is as I have stated. Though, therefore, the surplus that accrues in any particular year may go to the reduction of debt, any real improvement in the financial position, as represented by that surplus, is utilized as a rule for reducing taxation in Western countries. In this country, on the other hand, our experience is that, whenever there is a surplus, it is devoted to the reduction of debt and any improvement in the financial position that it may indicate is hidden away, as far as possible, by under-estimating the revenue or over-estimating the expenditure for the following year. And it is only when the improvement is so striking that it cannot possibly be hidden away that relief is given to the taxpayers. Take the history of our finances during the last 14 years. There were no doubt remissions of taxation granted, but that was because the Government could not help doing it. As long as Government could help it, no reduction was made, and large surpluses were enjoyed and expended in various directions. Now, my Lord, my contention is that in this country a surplus is always a temptation to the Government either to pay off its debt faster than is necessary, or else to increase expenditure in directions which entirely depend upon its own will and which sometimes do not commend themselves to the people. This question, therefore, of the proper disposal of surpluses is to my mind a very important question, and that is why I raise it whenever an opportunity presents itself. My Lord, there are many useful directions in which our surpluses could be expended or, if that course does not find favour with the Government, advantage ought to be taken of them to remit taxation so that the money remitted might fructify in the pockets of the people. Of course, if the Government merely borrowed to build Delhi without at

the same time utilizing the surpluses either for reducing taxation or for expenditure on useful objects, it would in effect be the same thing as devoting the surpluses to the construction of the new capital. For in that case, while you will be borrowing with one hand to build Delhi, you will, with the other hand, be paying off debt by means of surpluses, realized by keeping the level of taxation higher than necessary. What I want is that while Delhi should be built out of loan funds—our trifling unproductive debt provides ample margin for that—the surpluses should be utilized either for non-recurring expenditure on education, sanitation and medical relief, as my next Resolution recommends, or else they should go to the reduction of taxation.

My Lord, the Hon'ble Member has estimated the surplus for next year at one and half millions. As a matter of fact, if the Council will carefully analyse the revised estimates of this year, it will see that next year's surplus is likely to be nearer four millions than one and a half millions. I think the Hon'ble Member, as also the Hon'ble Sir James Meston, will have to admit this. It is true that the Finance Department has made a very skilful attempt to hide away the true surplus partly under one head and partly under another, till only one and a half millions is left to show to the public. But I do not think the attempt has been successful. Take the revised estimates of this year; the surplus shown in the Statement for the year is 2·75 millions sterling. Out of this, 1·75 millions is the special opium surplus. The ordinary surplus, therefore, that this, the excess of ordinary revenue over our ordinary expenditure in this year's revised estimates, is one million. Well, let us put that down first; next, my Lord, during this year the Government have made to Local Governments special grants, amounting to 1·42 millions or nearly 1½ millions. If these grants had not been made—they are all extraordinary grants—our surplus would have been higher by 1·42 millions. Then again I find from the Financial Statement that about half a million was spent in connection with the Royal Visit on the Civil side; two hundred and seven thousand pounds

on the Military side, and the bonus and other boons came to about six hundred thousand pounds; altogether over one million and three hundred thousand. That is also extraordinary special expenditure belonging to this year only. We thus have one million the declared surplus,  $1\frac{1}{2}$  millions in the amount of special grants to Local Governments, and 1·36 millions, or about that, the cost to the Government of India in connection with the Royal Visit—altogether 3·87 millions, or nearly 4 millions. This then represents the real excess of our revenue over our expenditure at present, leaving aside the opium surplus and leaving aside also what I have called our automatic sinking fund. But what I find done is that in next year's Budget, under nearly every head, the revenue has been under-estimated and the surplus has been worked down to  $1\frac{1}{2}$  millions only. I hope the Council will see this and I hope it will realize that the question before us is not about  $1\frac{1}{2}$  millions only but about 4 millions sterling. If the Government realize this sum of 4 millions—and I am sure it will realize it unless something extraordinary happens—and if the estimate of the cost of new Delhi is correct, the Government could build the capital out of surpluses in one or two years. If this happens, whether provision for the expenditure is made out of current revenue at the beginning of a year or out of an estimated surplus at the end of the year makes really no difference. Only in the one case you put down the expenditure beforehand against revenue, and in the other you wait till such time as the accounts of the year show a surplus and then take the money. In either case, however, the money comes out of taxation. My Lord, as the Government has foreshadowed in its despatch of 25th August last the floating of a special Delhi Loan, I contend Delhi should be constructed out of loan funds, whether it costs 4 millions or 5 millions or 10 millions or any other amount. We want our surpluses for other purposes and the smallness of our unproductive debt allows plenty of margin for a Delhi loan. I urge, my Lord, therefore, that the loan for this year should be raised by one crore more—the amount indicated by the Hon'ble Member as likely to be taken out of next year's surplus to be spent on the construction of

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Delhi—and that the new capital should be constructed entirely out of loan funds.

[*Replying on the debate which ensued, Mr. Gokhale spoke as follows:—*]

My Lord, I will first say a few words as to what has fallen from my Hon'ble friend Sir James Meston. I accept his correction as regards £ $\frac{1}{4}$  million, and I am quite willing to say that the present excess of our revenue over our expenditure is about 3 $\frac{1}{2}$  millions instead of 3 $\frac{3}{4}$  millions. As regards the other point, namely, that I have left out of account the proposed expenditure on education next year, namely, 1 $\frac{1}{4}$  crores, I may remind my Hon'ble friend that I have also left out our normal growth of revenue during next year. Sir Edward Baker, when he was Finance Minister, once estimated this normal growth of our revenues at about 1 $\frac{1}{2}$  crores. I have not taken that into consideration, and that is a set-off against the increase in educational expenditure which has been provided. Assuming, however, that the £ $\frac{3}{4}$  million extra, which is going to be spent on education, should be deducted, there still remains a surplus of 2 $\frac{1}{2}$  millions. My Hon'ble friend could not take it down further, and he has not told us why the Finance Department has budgetted for a surplus of only a million and a half. But whether the actual amount is 3 $\frac{1}{2}$  millions or 3 millions or 2 $\frac{1}{2}$  millions, it is a substantial surplus, and my contention is that there is nothing to prevent the Government from building Delhi out of current revenues by devoting the whole of the surplus to it for two or three years.

My Lord, the Hon'ble the Finance Minister drew a somewhat frightening picture as to what might happen to us in the course of a year. The sky, he warned us, might suddenly become overcast, and instead of the very comfortable situation in which the Finance Department finds itself at present, it might be necessary to impose extra taxation! In replying to my friend the Hon'ble Pandit Madan Mohan Malaviya a few minutes ago, the Hon'ble Member spoke of his proposal as calculated to lead to bankruptcy! Now I am quite sure the force of reasoning

of the Hon'ble Member would not suffer any abatement if he did not try to frighten us thus with talk of bankruptcy or of extra taxation. I am quite sure there is no need just now for either. With a surplus which may reach five millions, with that amount jingling in his pocket, I really do not understand how he can talk of bankruptcy or of extra taxation! When we do actually get into troubled waters, it will be time enough for him to speak of bankruptcy or other dreadful possibilities! The Hon'ble Member said that in other countries they have resorted to short term loans for such purposes. Well, I should be very glad if that plan were adopted by the Government of India. A short term loan, spreading the burden of building the new Capital over a period of, say, ten or fifteen years, would not be a bad arrangement. What I object to strongly is the utilization of our surpluses in this indefinite manner for the building of Delhi. The Hon'ble Member says, why should we throw any burden on future generations! But what does he mean by a generation? Does he mean that only two or three or four years form a generation? At the present rate, if things continue normal, you could build Delhi in the course of two or three years out of surpluses if the estimate of the cost is not far wrong. Does he call two or three years a generation? If he raises a short term loan of ten or fifteen years, I shall have no complaint to make.

Then, my Lord, the Hon'ble Member says that the opium-revenue might be extinguished any moment or that we might suddenly get into other complications. But that itself is, to my mind, a very important reason why this money which is available just now should not be devoted to such purposes as building a new city when it is urgently wanted for other objects. Money for non-recurring expenditure is required in various directions, as I will show when I move my next Resolution—for education, for sanitation, and for medical relief. When you have a surplus, that surely is the time when you can help Local Governments in meeting this expenditure. But my Hon'ble friend, when he has the opportunity, wants to take away the surplus for building a new Imperial city, and so

we cannot get it now. Later, if and when we get into more troublous times, he will, of course, have nothing to give to Local Governments for these objects. I recognize that provision has been made in this year's budget for an additional 125 lakhs for education. That of course is true and I will speak about it on a future occasion. But leaving that out of account and merely confining ourselves to the manner in which our surpluses are utilised, I contend that the first and foremost claim on them in our present state is that of non-recurring expenditure in connection with education, sanitation and medical relief. The Hon'ble Member said that his figure for unproductive debt differed from mine, and he mentioned 45 millions as the figure of our unproductive debt at present. Through the courtesy of the Hon'ble Sir James Meston I have got that figure here. A glance at it is sufficient to show that it does not represent the net unproductive indebtedness of the country to-day. Take the amount borrowed in 1908-09. There was in that year a deficit of about  $3\frac{1}{2}$  millions, but the Government floated a loan of 6 millions— $3\frac{1}{2}$  millions to meet the deficit, and  $2\frac{1}{2}$  millions for other purposes. Again, later on, they borrowed 5 millions to pay off certain debentures, and then, instead of paying off the debentures, the loan went to swell the cash balances at the disposal of the Secretary of State. Surely that does not mean any true addition to our net indebtedness. If we take our net indebtedness, by which I mean—all that the Government owes, *minus* all that is owed to the Government and the cash balances, which the Government maintain whether in England or in India—the figure will be found to be 27 millions only, and no more. Well, that is a small amount, and if you add to this four or five millions for building Delhi, our unproductive debt will still be trifling.

My Lord, to the other questions raised by the Hon'ble Member, I think it will be more convenient for me to reply when I deal with the next Resolution. This matter is an important one, and I think it necessary to press my motion.

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## SURPLUSES AND RESERVES.

*[On 7th March 1912, the Hon'ble Mr. Gokhale in moving a Resolution in the Imperial Legislative Council recommending the creation of special Provincial Reserves by means of grants from Imperial Surpluses, spoke as follows :—]*

Sir, I beg to move that this Council recommends to the Governor-General in Council that the total amount of the grants proposed to be made to the several Provincial Governments and Administrations during 1912-13 be increased by one million sterling—which means two-thirds of next year's estimated surplus—to form the nucleus of special Provincial reserves, from which those Governments and Administrations could finance programmes of non-recurring expenditure in their Provinces on education, sanitation and medical relief, spread over a period of at least five years, and that in future two-thirds of the Imperial surplus, whenever it accrues, be added to these reserves.

Sir, before I deal with this Resolution, I think it necessary to renew my complaint of last year as regards the rule which regulates the discussion of additional grants to Local Governments in this Council. I pointed out last year—and I must repeat again to-day what I then said—that under the rule as it stands only the additional grants that are made in the budget for the year following can come up directly for discussion before this Council. The rule speaks of 'any additional grants mentioned in the Financial Statement,' and 'Financial Statement' is defined 'as the preliminary financial estimates of the Governor-General in Council for the financial year next following.' Therefore, strictly speaking, we can raise a debate here to-day only as regards additional grants that are in the budget estimates for next year, that is, for 1913-14. The rule, therefore, Sir, causes considerable inconvenience, because the more important grants are

generally found in the revised estimates of a closing year, and if a Finance Minister chooses to put it out of our power—I do not say that the present Finance Minister intends to do anything of the kind—to discuss the grants that are made in the year, all that he has got to do is to under-estimate the revenue in the budget, mention no grants, and, once the Financial Statement is out of the hands of this Council, to begin making grants, mentioning them only at the end of the year in the revised estimates! If this is done and if there are no additional grants in the budget for the year following, no question can be raised about the grants made during the year. Fortunately, this year we have got additional grants for education in next year's budget, and therefore we are able to-day to bring up the whole question of grants for discussion. I point this out because, unless this is remedied, an important object which the Government had in view in expanding the functions of this Council will be frustrated. A small change is all that is necessary. 'Financial Statement' should include not only preliminary estimates for the year following but also the revised estimates for the current year. Sir, this morning I pointed out that, if things continued normal, our real surplus next year will be nearer four millions than  $1\frac{1}{2}$  millions which is estimated in the Financial Statement. It will certainly be over three millions, and probably it will be nearer four. Now, the question is, how is this surplus going to be disposed of? It is an old standing controversy between the Finance Department of Government on the one side and certain non-official Members of this Council on the other—a controversy which has been carried on year after year for several years past, and I fear that it will have to be carried on till the Government comes round to the view which has been so often urged upon its attention. I pointed out this morning, Sir, that a surplus after all is so much more revenue taken from the people than what is really required for the needs of administration. A surplus, moreover, springs from the proceeds of taxation, and therein lies the difference between it and a loan. A loan is raised by borrowing; a surplus results from taxation. Now, Sir, had our unproductive debt been large, I could

have understood the present policy of devoting surpluses to the reduction of debt. Even taking the figure which the Hon'ble the Finance Member gave this morning, namely, 45 millions, everybody will admit that it is a very small amount, considering the extent of the country and its financial resources. Moreover, if you provide a reasonable sinking fund for liquidating this debt, the responsibilities of the present generation in that matter are discharged. I have pointed out already that there is a million and a quarter or rather a million and one-third annually devoted to the reduction of debt as a sort of sinking fund. And, even if our debt is 45 millions, a million and a quarter or a million and a half, devoted every year to its reduction, is a very satisfactory sinking fund. And there is no necessity for any portion of our surpluses being utilized for the same object. My first point therefore is that, taking the smallness of our unproductive debt into consideration, there is no need to liquidate it out of our ordinary surpluses—the provision that already exists for redemption of capital under railways and for reduction or avoidance of debt under famine insurance being amply sufficient for the purpose.

Sir, my second point is that money is required for non-recurring expenditure in many directions in this country, specially for education, sanitation and medical relief. Schools have to be built and good water-supply in villages and drainage and water works in towns are needed all over the country and we also want dispensaries and hospitals. These works will require not ten but hundreds of crores of rupees, and the problem could not be satisfactorily dealt with unless the Government made a large regular allotment for this purpose. The Government, however, is reluctant to make a large regular allotment out of current revenues. Therefore, I propose another method which, though not equally satisfactory, will be found to answer the requirements to some extent. I pointed out this morning that the excess of our normal revenue over expenditure, taking things as they stand at present, is about 4 millions or 6 crores of rupees. Now what I urge is that two-thirds of this surplus, as also of future sur-

pluses, should be placed at the disposal of Provincial Governments for non-recurring expenditure on the objects I have mentioned. The present policy of making grants for one year only out of the surplus that accrues during that year is a wasteful policy. No one has condemned the policy of doles in stronger terms than the Hon'ble the Finance Member or the Hon'ble Sir James Meston. The Decentralization Commission also has expressed itself very strongly on the subject, in fact every one seems to be agreed on that point. And the present policy is nothing but a policy of doles. Whenever you have a large surplus, you feel bound to distribute a part of it among the Local Governments, so much to one, so much to another and so on. The result is that there is a great deal of waste. The Local Governments cannot rely upon a continuance of their good fortune, and, therefore, they cannot take in hand any large scheme which requires financing over a series of years. This leads often to ineffective and wasteful expenditure, which no one really deplores more than the Local Governments themselves. The Government of India, on the other hand, can think only of a single surplus at a time, and therefore it is not surprising that it does not bind itself to make any further grant until another surplus is realised. Thus this policy of doles into which the Finance Department is again drifting—and I say this in spite of my great admiration for the manner in which the Hon'ble Member has been administering our finances during recent years—is a wasteful policy and it must therefore be altered.

Now, Sir, the only way in which you can alter this policy is by adopting a scheme somewhat similar to what I have ventured to place before you. My proposal is that whenever you realise a surplus, you put aside, if you insist on it, a certain reasonable proportion of it to go to the liquidation of debt. I, for one, do not want really any portion of the surpluses to go to the liquidation of debt. But the Finance Department thinks otherwise; therefore let a certain proportion—not more than one-third—go to the liquidation of debt. Having done that, let the rest of it be made over to Provincial Governments to form the

nucleus of Provincial reserves for non-recurring expenditure on education, sanitation and medical relief. Sir Edward Baker started famine reserves in the different Provinces. That policy has been further developed under the present financial regime. I would like to have another reserve in each Province for the purpose of meeting non-recurring expenditure on education, sanitation, and medical relief. What the Government may do is this: if you have a million and a half next year (taking the figure in the Budget Estimates), take half a million for your own purpose, but give the remaining million to the Local Governments, distributing it among them in accordance with some fixed principle of which I will speak later. Let the money thus given remain with the Local Governments. Again, in the year that follows, if a surplus is realized, let two-thirds of it be again added to the different Provincial reserves. When, after a time, the Provincial Governments find that they have built up reserves strong enough to take in hand a large programme of non-recurring expenditure and when they feel that they have enough money to finance such a programme over a series of years, let them begin to carry out such a programme. By this method the wastefulness which is inevitable under the policy of doles will be prevented and the money allotted will be used most effectively. When the Provincial Governments have a considerable amount of money to their credit in this manner, they will feel sure of being able to finance certain schemes properly, till they are carried out. During that time, while they are engaged in carrying out these schemes, more money will be coming in from other surpluses, and thus they will be in a position to take in hand from time to time other schemes. It is only by thus enabling the Provincial Governments to have special reserves at their disposal and to spread their programmes over a series of years that the most useful and the most economical expenditure of the grants made to Local Governments can be ensured.

Sir, an unfortunate feature of the present policy, which needs special mention, is that a great deal of scramble goes on among the different Provincial Governments

as to how to secure the largest share for themselves. In fact, one almost feels that the days prior to 1870, when the decentralization of our Provincial finance first began, are again returning in some respects. It is not the Province that has the greatest need that gets the most, but it is the Province that makes the most clamour, that manages somehow to be heard most, that gets most.

The Hon'ble Sir Guy Fleetwood Wilson: What about Bombay?

The Hon'ble Mr. Gokhale: If the description applies to Bombay, let it apply. I have no knowledge on the subject.

But I say that this scramble is unfair all round and that is another argument against the present system.

Sir, if the Government adopted some fixed principle in accordance with which surpluses would be distributed among the different Provincial Governments, not only would this scramble cease, but it would also be one way of redressing those inequalities of Provincial finance to which my friend, the Hon'ble Pandit Madan Mohan Malaviya, drew attention this morning. It is true that we cannot now go in search of any new theoretical standards of equality in distributing the revenues of the country among the different Provinces. But so far as the distribution of surpluses is concerned, we are not committed to any old scales of expenditure, and the Government of India could very well make the distribution in accordance with some fair standard, say, rateably according to the revenues which are received by it from the different Provinces. That, I think, would be a very fair way of distributing the additional grants. Take, Sir, the Education Department, over which you preside. I sincerely rejoice that more money has been found for education. But if the Government sanctions so much money for an educational institution in one Province, so much for an institution in another Province, that does not appear to be a very satisfactory way of spending the amount. What the Government should do—and I am sure that is what the Education

Department wants to do—is to have a comprehensive programme framed after considering the important needs of all the Provinces and to carry out this programme, as funds are available, the Department should distribute any money that comes into its hands rateably or according to some other fixed principle. And the different Provincial Governments should then be left free to decide on what particular institutions they would spend the money. If the Government of India either in the Education Department or in any other Department takes it upon itself to sanction special expenditure on particular institutions in the different Provinces, of which it cannot, in the circumstances of the case, know much, it is bound to lead to unsatisfactory results. After all the Local Governments are, speaking generally, the best qualified to decide what institutions in their Provinces need or deserve money most. Sir, the recent despatches of the Government of India and the Secretary of State on the administrative changes mention Provincial autonomy as being the goal towards which the Government in this country must advance. It is a momentous declaration. I do not want to enter on this occasion into the question which has already been raised in connection with it, namely, whether the expression signifies popular Provincial autonomy or only official Provincial autonomy. Whichever autonomy is meant, one thing is clear, that the Provinces are to be left more and more, under the general control of the Government of India, to administer their affairs themselves. If that is so generally, it must also be so in the matter of spending money. In placing, therefore, lump allotments to the credit of the various Provincial Governments, and allowing them to spend these allotments in such ways as they may deem fit, you will be only carrying out this policy. Sir, I therefore propose that two-thirds of next year's surplus should go to form a nucleus of Provincial reserves, and, as fresh surpluses accrue, two-thirds of them should be added to these Provincial reserves. Sir, I move the Resolution which stands in my name.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows:—]*

Sir, the Hon'ble Sir James Meston has opposed this Resolution, but I should like to hear his views on the same subject a year hence and in another place. The difference between the present arrangement and the arrangement that would come into force if my Resolution is adopted, is this. In the first place, the Government of India would be bound to allot two-thirds of its surpluses to Provincial Governments. There is no such obligation now; as a matter of fact, it is a mere matter of chance how much the Government gives to Provincial Governments or when it gives it to them. My view is that a surplus, being so much more money taken from the people, should be returned to the people either by reducing taxation, or by spending it on objects of public utility. And my suggestion is that the Government of India should be bound to return two-thirds of any surplus, that arises, to the people in the shape of allotments to Provinces for objects that I have already mentioned. Secondly, Sir, I should like to bind the Provincial Governments themselves in their turn to spend the sums which they receive on programmes of non-recurring expenditure connected with education, sanitation and medical relief. I think such an automatic arrangement will give Provincial Governments a greater sense of confidence as regards taking in hand definite important programmes which must be spread over a certain number of years. If special reserves were built up on the lines I have proposed, and if automatically two-thirds of our surpluses go into these reserves, the position of Local Governments in dealing with such programmes would be much stronger than it is at present. The Hon'ble Member asks, what would happen if there is no surplus in any one year? Well, there would be no addition to the reserves in that year, but the Provincial Governments will have started their programmes on the strength of what was already in their reserves, and so those programmes will not be interfered with.

I think my Hon'ble friend will have to admit that there is an important difference between what would happen if my proposal were adopted and things as they are under present arrangements. As regards what he



said about the necessity of maintaining our credit high, well, they are old arguments which have been brought forward on the Government side again and again by him, by the present Finance Minister, by his predecessor Sir Edward Baker, and by his predecessor Sir Edward Law. We have discussed these points again and again, and though the Government has moved to a certain extent from its first position, it will have to move a good deal further before the controversy is over. After all, does anybody really contend that the credit of our country is high or low, according as a small unproductive debt is a few millions less or more? Can any one seriously argue that a debt of 40 millions for this country means higher credit than a debt of 50 millions? The Government of India have been borrowing at the same rate for the last twenty years or so. The last conversion scheme was, I believe, in the days of Sir David Barbour, and there has been no conversion since then. If you have been borrowing at the same rate for the last twenty years, though recent surpluses have enabled you to reduce your unproductive debt considerably, I do not see how a little higher or a little lower debt makes any real difference to your credit. I can understand the argument, which I remember was used in this Council about twenty years ago or thereabout, by a Member of the Government for keeping the unproductive debt low. He said it was necessary to keep down the debt in order that the Government may be in a position to borrow again if a sudden emergency arose on the North-Western Frontier. That was at the time when Indian finance was dominated by the fear of a Russian invasion, and there was then a substantial reason for the policy of reducing the unproductive debt on every possible occasion. But that situation has been profoundly altered, and, with our unproductive debt standing as low as it does, to talk of the necessity of maintaining our credit high in connection with the use of our surpluses is to use, as I once said, Western formulæ, without taking into account the difference between Western and Eastern conditions. Unless the Government allots money out of surpluses to non-recurring expenditure on education and other objects, where is the money to come from? If you

go to a Provincial Government, it says it has no money : the Government of India has the money, and I contend that it is its duty to make that money available to the country for the purposes which I have mentioned.

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## IMPERIAL EXPENDITURE ON POLICE.

*[On 8th March 1912, Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council recommending the reduction of the allotment to Police for next year by one lakh of rupees, spoke as follows:—]*

Sir, I beg to move that this Council recommends to the Governor General in Council that the allotment to Police (India General) for next year be reduced by one lakh of rupees.

On a reference to page 61 of the explanatory memorandum, the Council will see that the Imperial portion of police charges is shown there under three heads. One is India General, the second is Baluchistan and the third is North-West Frontier. Now, taking the budget and the revised figures for the current year, it will be seen that while the charges for Baluchistan and North-West Frontier have gone down, the revised figures being lower than the budget figures, the figure for India General has increased considerably. The explanatory paragraph appended to this head explains how the decreases against Baluchistan and North-West Frontier are only nominal; and as I do not raise any question about those entries, I will say nothing more about them. The entry against India General, on the other hand, shows an increase of Rs. 36,000 in the revised estimate over the budget estimate, but there is not a word of explanation in the explanatory paragraph about that increase. Now, Sir, my first query is, why is there no explanation given, and what is the explanation of the increase? Next, if the Council will look at the figures under this head for the last three years, namely, the accounts for 1910-11, the revised figures for 1911-12, and the budget figures for next year, it will be seen that there is a continuous increase in the charges. In the accounts of 1910-11, the charges were Rs. 8,45,000. Last year, the budget estimate of the current year was

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taken at Rs. 8,96,000, whereas the revised figure now laid before us stands at Rs. 9,32,000; while in the budget for next year the sum that is entered is Rs. 9,37,000. Thus the sum budgetted for next year is much larger than the actual for 1910-11. It is also much larger than that which was budgetted for last year, and is even slightly higher than the revised estimate for the current year. I should like to know why this item is showing an increase when the general policy of Government in regard to such charges is now one of retrenchment. Then, Sir, I find from a return which was laid the other day on the table in reply to a question which I put about retrenchment that in the expenditure which the Home Department controls there is an item of 2·83 lakhs on account of the Central Criminal Investigation Department. That is on the authority of the Hon'ble Mr. Whesler, Acting Home Secretary, and the amount is given for the year 1910-1911. Now, if we turn to the actuals for 1910-1911, as given in this yellow book—the Finance and Revenue Accounts which is published annually—I find that the cost of the Central Criminal Investigation Department of the Government of India for 1910-1911 was 3·05 lakhs, and not 2·83 lakhs as shown in the return. I should like to have an explanation of this discrepancy; evidently something is left out in the return, or something is included in this yellow book which I cannot make out. I want, therefore, to know whether the Criminal Investigation Department charges of the Government of India are really 2·83 lakhs or 3·05 lakhs. Lastly, Sir,—and that is the principal point for which I have raised this discussion to-day—I want to know how much of this sum represents the cost of the Government of India Criminal Investigation Department in Provinces which have got Criminal Investigation Departments of their own. I speak necessarily at a disadvantage in this matter, because outside the department the general public knows very little as to the constitution of the Criminal Investigation Department. But it is a matter of common knowledge that the Government of India Criminal Investigation Department maintains officers and men of its own—a small number—in the different Provinces, which have got their own

Criminal Investigation Departments. And I should like to know how the spheres of work of the two are differentiated. Of course, so far as the territories directly under the Government of India are concerned, they would be for the Government of India Criminal Investigation Department. So also in regard to the Native States, which are in direct relations with the Government of India. Finally, the expenditure that is incurred in watching men in foreign countries would also come under the Government of India expenditure. So much I think is clear; but in addition to this, I have heard on good authority that the Government of India Criminal Investigation Department maintains a few officers and men of its own, and does espionage work on its own account, even in Provinces which have got their own full-fledged Criminal Investigation Departments, and I want to know why this is done. I find, Sir, that this has been a matter for repeated complaint on the part of several Local Governments, and the Decentralization Commission in its Report notes this complaint. This is what the Commission says :

The Lieutenant-Governor of the United Provinces complained of encroachment on the Provincial sphere of administration by the Director of Criminal Intelligence, and we have received similar complaints in other Provinces as to what was regarded as the undesirable activity of this officer.

This year also, I gather from the newspapers that the Lieutenant-Governor of the United Provinces has complained in his Administration Report of constant friction between the Government of India Criminal Investigation Department and the Provincial Criminal Investigation Department. I should therefore like to know if such a duplication of machinery for espionage exists in the Provinces which have got their own Criminal Investigation Departments, and, if so, why the work is not altogether left to the Provincial Criminal Investigation Departments. Of course, as I have admitted, I speak more or less in the dark on this subject, because the outside public knows very little about this Department. The only thing that people are sure about is, that many of these Criminal Investigation Department men are a great nuisance to

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innocent people, and that they do their work not only without judgment, but often without a regard to appearances or decency. I therefore strongly urge that, if the Government of India maintain a Criminal Investigation Department of its own in the different Provinces, this duplication should be abolished, and whatever saving results from it should be effected.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows :—]*

Sir, I would like to say just a word, and that is, that the Hon'ble Member has not told us why it is necessary to maintain a duplication of machinery for purposes of espionage in the Provinces which have their own Criminal Investigation Department for the work. He has also not told us what the Government of India has to say as regards the complaints which the Provincial Governments had been making on this subject. I quoted from the Decentralization Commission's Report an extract showing that the Lieutenant-Governor of the United Provinces complained even before the Commission that there was serious interference with the work of the Provincial Criminal Investigation Department by the Government of India Criminal Investigation Department; and this year again that Government has repeated that complaint. That being so, I think some explanation is necessary as to why such a system, which is complained of by Local Governments, should be maintained. However, as the Hon'ble Member the other day promised an inquiry into the whole question of the Criminal Investigation Department, I do not wish for the present to press my Resolution.

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## RESOURCES OF LOCAL BODIES.

*[On 13th March 1912, the Hon'ble Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council recommending the appointment of a committee of officials and non-officials to inquire into the adequacy or otherwise of the resources at the disposal of Local Bodies, spoke as follows :—]*

My Lord, I beg to lay the following Resolution before this Council for its consideration :—

That this Council recommends to the Governor General in Council that a committee of officials and non-officials be appointed to inquire into the adequacy or otherwise of the resources at the disposal of Local Bodies in the different Provinces for the efficient performance of the duties which have been entrusted to them, and to suggest, if necessary, how the financial position of these bodies may be improved.

I think, my Lord, I ought to state at the outset why it is that I am raising this question here to-day when it was one of the subjects into which the Decentralization Commission inquired only four years ago, and when the recommendations of that body are still under the consideration of the Government of India and the Secretary of State. My reasons for adopting this course are first, that, though the Decentralization Commission went at some length into the general question of local self-government, its inquiry into this particular branch of the subject, namely, the adequacy or otherwise of the resources at the disposal of local bodies, was extremely slight; and secondly, the very fact that the matter is at present under the consideration of the Government of India makes the present an opportune moment for raising this discussion here, because even if the Government are unable to accept this motion, it will be an advantage that the views of non-official members on this subject should be before the Government before a decision is arrived at.

My Lord, in speaking on my Resolution about District Advisory Councils the other day, I pointed out how

the reforms that have been introduced during the last five years have liberalized the character of the administration so far as the Secretary of State's Council and the Executive and Legislative Councils of the Government of India and the Provincial Governments are concerned. The district administration, however, continues to be where it was 100 years ago, and local self-government too continues to be where it was carried by the late Marquis of Ripon about 30 years ago : and I strongly feel, my Lord, that there must be important reforms introduced in respect of both these, in order that all parts of the administrative machinery should be brought into closer correspondence with one another. My views on the subject of district administration I have already laid before the Council. It is true that the motion was lost that day, but that does not mean that the last word on that subject has either been said or heard. To-day I propose to speak on the subject of local self-government. This subject may be considered under three heads : (1) the constitution of local bodies, (2) their powers and functions, and (3) the resources at their disposal. Of these three, the Decentralization Commission have gone in some detail into the first two, and their recommendations in regard to them are also fairly liberal, and I do not therefore wish to say anything about them on this occasion. I agree entirely with the recommendation made by the Commission that steps should now be taken to create village-panchayats in selected villages throughout India ; I also agree that steps should be taken to establish what they call ' Sub-District Boards ' in those Provinces where they do not at present exist. One essential condition of the success of local self-government is that those who take part in it should possess a personal knowledge of the area under their management, or, at any rate, should be able to acquire that knowledge without much difficulty. This condition can well be fulfilled in regard to villages and sub-districts ; it is difficult for it to be fulfilled in regard to District Boards, as our districts are so large. Therefore, I think our real local self-government should start with villages, and stop with sub-districts ; the District Boards may exercise only general supervising and co-ordinating functions, and then, if the



Government choose, the other functions of an advisory character, of which I spoke the other day, might gradually be transferred\* to them. Turning now to the question of the financial position of local bodies, with which alone I am going to deal to-day, I do not wish to distinguish between District Boards and Sub-District Boards for this purpose. For to-day's discussion, I will take them together as representing rural self-government just as municipalities represent urban local self-government. Now, my Lord, let us take a bird's-eye view of the whole position of local self-government in the country. There are altogether 717 Municipalities in the country, 197 District Boards and about 517 Sub-District Boards. There are besides about 450 small Union Committees—389 in Madras and 61 in Bengal; but I will leave them for the present out of account. The population in municipal areas is roughly about 16 millions, which means about 7 per cent. That is the urban population, the remaining 93 per cent. being entirely rural. The highest percentage of urban population is in the Bombay Presidency, where it is 18 per cent., and the lowest in East Bengal, where it is only 2 per cent. There are no rural boards in Burma; there are only Sub-District Boards in Assam, and no District Boards. In the United Provinces the Sub-District Boards have been recently abolished, and in the Punjab they have largely disappeared. Coming to the question of revenue, and first taking the four leading Municipal Corporations of Bombay, Calcutta, Madras and Rangoon, it will be found that their total revenue is  $2\frac{1}{2}$  crores. The average revenue of the remaining 713 Municipalities is only about 55,000 rupees each. The incidence of taxation is highest in Rangoon, (and I think on this point my Hon'ble friend Mr. Gates distinctly scores), being as high as 11'61 rupees per head; Bombay City comes next with Rs. 10 per head, Calcutta follows with Rs.  $8\frac{1}{2}$ , and Madras comes last with a little over Rs. 3 per head. For the remaining mufassal areas, the average is about Rs. 2 per head in Bombay, Punjab, Burma and the North-West Frontier, in the Central Provinces it is  $1\frac{3}{4}$  rupees; in the United Provinces and Bengal it is a little over Rs.  $1\frac{1}{2}$ , and in Madras it is only Rs.  $1\frac{1}{3}$ . In Bombay, the United Provinces, the

Punjab and the Central Provinces, a large part of the municipal revenue is derived from octroi. In other Provinces there is no octroi. There is in Madras, however, a toll levied on roads, and Bombay and Assam also levy it. The principal revenue in Madras and Bengal is derived from taxes on houses and lands, Bombay, the Central Provinces and Burma also levying such taxes. In some Provinces there are taxes on professions and trades, and in all, on carts and vehicles.

The Municipal Boards have powers of taxation within certain limits with the previous sanction of the Local Government. The rural Boards have no power of taxation; they are limited to what is known as the one-anna cess. In raiyatwari areas it is levied on the Government assessment, and in other areas it is assessed on the annual rental value of land. The total revenue from taxation from Provincial rates in rural areas is about  $2\frac{1}{2}$  crores, and another  $2\frac{1}{2}$  crores is received from various sources, including a small grant from Government. This gives us an incidence of less than 4 annas per head. The Local Boards, moreover, do not get the entire proceeds of this one-anna cess in all the Provinces. In the United Provinces one-third is taken by Government for village chaukidari police, and in the Punjab 20 per cent. has to be paid to the Government for general services. In Bengal a portion goes to the Government for public works cess, and in the Central Provinces only 5 per cent. of the land-revenue is levied as the one-anna cess and goes to local bodies. Turning now to the functions of these bodies, briefly speaking, we may say that they are the care of health, of education and of roads or communications. Enumerating them in greater detail, we find that Municipalities are entrusted first with the duties of construction, up-keep and laying of streets and roads and the provision and maintenance of public and municipal buildings; secondly, the preservation of the public health principally with reference to sanitation, drainage, water-supply, provision of medical relief, vaccination, and measures against epidemics; and thirdly, education. And the rural Boards are entrusted with the maintenance

and improvement of roads and other communications, education, especially in its primary stages, the up-keep of medical institutions, sanitation, water-supply, vaccination, veterinary work, construction and maintenance of markets, and charge of pounds and ferries. My Lord, one has only to enumerate these functions and contrast their wide range with the extremely meagre character of the resources which I have already mentioned to realise how unequal—how pitifully unequal—the resources of Local Bodies are to a proper performance of the functions which have been entrusted to them. Fortunately this point is one on which officials and non-officials are practically all agreed. The little evidence which appears on this subject in the proceedings of the Decentralization Commission goes to show that there is no substantial difference of opinion between the two. Who that takes this situation into consideration can wonder that things are as they are as regards the provision for health or sanitation, for education or for roads in the country? My Lord, only about '3 per cent. of our towns have got a filtered water-supply, and even a smaller proportion have got efficient drainage. Then in villages, in rural areas, over the greater part of the country, good portable water is a crying want. The total number of hospitals and dispensaries in the country is less than 2,700, and disease carries away annually between 70 and 80 millions, at least one-third of which mortality ought to be preventible with better sanitation and better water-supply. The masses of the people are sunk in dense ignorance. I do not think it is really necessary to dwell on this aspect of the question more than I have done. As I have already observed, there is practically no difference of opinion between officials and non-officials in the matter. I will, however, refer briefly to the evidence tendered on the subject by three important witnesses before the Decentralization Commission. The first witness whom I will quote is Sir Herbert Risley, now alas no more with us. Sir Herbert Risley—we all recognized, whether we agreed with him or differed from him—always approached a question from the standpoint of a scholar and thinker, and his evidence on the subject was remarkable. This is what he says :—

It must be admitted that the resources of District Boards and Municipalities are not sufficient to enable them to work up to modern standards of administration. In Municipalities this is most conspicuously the case.

The second authority that I will mention is that of the late Sir John Jenkins, whose recent death everybody in this Council sincerely deplores, the strength and liberality of whose views it did not take us long to appreciate, and to whose high qualities Your Excellency paid, if I may presume to say so, a befitting tribute only the other day. Sir John expressed himself on this question with characteristic decisiveness. He pointed out that the resources at the disposal of local bodies were exceedingly meagre, and he said that, considering that they were so meagre, it was no wonder that more interest was not felt in the work of local bodies. If local self-government was to be a success in this country, he strongly held that the resources of local bodies must be largely increased. My third authority will be my Hon'ble friend Sir James Meston, who will soon be translated, we all rejoice to think, to a higher sphere which he is bound to adorn, and where I hope he will remember that the eyes of those who have learned to admire him in this Council will still be on him. I hope my Hon'ble friend proposes to take part in to-day's discussion. Only, if he does, I hope he will remember that I have got his evidence before me, and that I have the right of reply. The Hon'ble Member is very clear and emphatic in his evidence as to what is necessary. It will take time to read what he says, but, briefly speaking, he strongly advocates that the resources at the disposal of local bodies should be largely increased. And he says, especially speaking of District Boards, that there should be quinquennial settlements made by Provincial Governments with them as to the additional revenue that should be allotted to these bodies. My last authority—last but not least—will be the present Home Member. In a speech which he delivered some time ago in the Central Provinces, the Hon'ble Member dealt with the question as to why local self-government was not a greater success than it was, and he said that, considering the fact that the resources at the disposal of the local bodies were so extremely meagre, the surprise

was not that they had not done better, but that they had done as well as they were doing. I think, my Lord, I need not adduce any more testimony on the point that the resources at the disposal of local bodies are very slender, and that, if local self-government is to be a success in this country, they ought to be largely increased. The Decentralization Commission have expressed the same opinion. Unfortunately the Commission had to inquire into a hundred different subjects, and therefore this particular subject, namely, the adequacy or otherwise of local resources, received the scantiest possible attention from them. And I feel compelled to say that the manner in which they have dealt with this question is absolutely perfunctory. They say that municipal bodies have powers of taxation; therefore they should raise extra taxation and thus meet their requirements. They did not, however, inquire into the question whether there was any margin for extra taxation, and if there was a margin, what was its extent and how far it could be utilised at once. In regard to rural Boards, they propose certain small measures of relief—transfer of certain charges from here to there and so forth; only one substantial suggestion they make, and that is, that the 25 per cent. supplementary grant, that is  $\frac{1}{4}$ th of the proceeds of the one-anna cess roughly—which the Government have been making to rural Boards since 1905 should be increased ‘if circumstances permitted.’ Nothing more definite however than “if circumstances permitted.” I must say that the whole question has been dealt with in a most unsatisfactory manner, considering its importance, and it is therefore that I urge that a fresh and thorough inquiry into this special subject should be ordered—an inquiry similar to what was made in England by the Royal Commission on local taxation. My Lord, it may be said by some that after all, if local bodies wanted more money, they should tax themselves more and thus provide this money. What margin there is for such additional local taxation, what is the total incidence of Imperial and local taxation, and how far the proceeds of taxation are equitably distributed between the Central Government and local bodies, are, however, questions of great importance and require a careful examination. One thing I

want to point out clearly to this Council to-day, and it is that it cannot be justly urged, taking the imperial and local burdens together, that the people of this country, relatively to their resources, contribute less in taxation than the people of Western countries. This is really very important, and I must therefore deal with it in some detail. My contention is that relatively to their resources the people of this country contribute the same proportion of their income as taxation, imperial and local together—that the people in leading Western countries do. There are three different systems of local self-government in the West. The first is the American system; the second is the English system; and the third is the Continental system, of which I will take France as the type. In America, the local authorities have independent revenues of their own—absolutely independent revenues. But they also enjoy complete immunity from the control of the State. As our circumstances are wholly different, the American analogy will not do for us, and therefore I will not say anything more about America. In England the local bodies derive a large part of their revenue from their own rates; then certain revenues have been made over to them by the Central Government as assigned revenues in recent times—this was carried out by Mr. (now Lord) Goschen in 1889—and in addition they receive certain grants from the Exchequer. Thus what they raise from rates is supplemented by certain revenues known as assigned revenues and by grants from the Exchequer. In France, the local bodies derive a large part of their revenue by the simple process of being permitted to add extra centimes to the taxation which the Central Government levies from four ‘Direct Contributions;’ and this is a very important proportion of the resources of local authorities in France. Our system of local self-government in India is more similar to that of France, where the control of the Central Government over local authorities is much more stringent than it is in England; but as our future development will have to be more on English lines, I think it is necessary for us to study carefully both models, the English and the French.

My Lord, there are certain important differences in the function and responsibilities of local bodies in England and France on one side and in India on the other which must be noted. In the main functions we belong to the same category, but in England and France they are much more highly developed and cover a much wider range. Moreover, in England and France local authorities have to maintain their poor, whereas in India the people do it themselves out of their own private expenditure. In Great Britain, with the exception of the Metropolis, the police charges are thrown on local bodies, the State contributing half of the cost as grant. In Ireland, however, the police charges come from the Exchequer. In France the police charges are borne by the Central Government. I mention these differences because they have to be taken into account in instituting a proper comparison. Now, my Lord, taking the figures for 1909—the figures for 1910 will not do as, owing to the rejection of the Budget by the House of Lords, a large part of the revenue did not come in during the year, nay the figures for 1911 are swollen by the realization of the previous year's arrears—taking the figures for 1909, we find that in that year in England, confining ourselves strictly and solely to taxation, and excluding Post Office and such other receipts, the State raised about 130 millions. In that same year, the local authorities raised altogether from taxation, pure and simple, about 70 millions. This means a total taxation revenue of about 200 millions altogether, *i.e.*, 130 millions central and 70 millions local. About the same time, taking the latest figures available for France, we find that the State raised about 113 millions from taxation and the local authorities—the Departments and Communes—raised by taxation about 40 millions; altogether 153 millions. In India, taking the revised estimates for the current year and omitting, from the revenue under principal heads, opium, provincial rates, and forest and tributes, we find that our revenue was about 46½ millions sterling roughly—between 46 and 47. And taking the revenue raised by taxation by local bodies for the last year, we find it was about 3½ millions—a little over 3½ millions;—thus we raised by taxation 46½ millions imperial and provincial, and 3½ millions local, or

altogether about 50 millions sterling. We thus find 200 millions raised in England, 153 millions in France and 50 millions in India. Let us now see what proportions these amounts bear to the total national income of these countries. In England at the present day, the average income per head is taken at about £ 40; and the population may be taken at about 45 millions. That means a total national income of about 1,800 millions; 200 millions out of 1,800 millions means about 11 per cent. of the whole national income in England. Thus, in the year I have taken, 11 per cent. of the whole national income was contributed by the people for imperial and local purposes in the shape of taxation. In France, the income is now taken at about £ 30 per head and the population is about 40 millions. The total national income is thus about 1,200 millions, out of which about 153 millions were taken for imperial and local purposes. This gives us a proportion of about  $12\frac{1}{2}$  per cent. for France. Now in British India our population is 230 millions. There is some difficulty as to what should be taken as our average income. There are various authorities who have given various figures. The late Mr. Digby calculated it at only £ 1 per head. Our great and venerable countryman, Mr. Dadabhoy Naoroji, calculated it at Rs. 20 per head. Lord Cromer, with the assistance of Sir David Barbour—himself later on one of the soundest Finance Ministers of the country, who was then Financial Secretary—calculated it at Rs. 27 per head. Lord Curzon—for controversial purposes (and that to a certain extent reduces the value of his estimate)—estimated this average income at £ 2 per head. Let us, however, for argument's sake take the highest estimate—Lord Curzon's estimate. Two pounds for a population per head gives us 460 millions. Out of this national income for the whole country, our total taxation, imperial and local, for the current year is, as I have shown, about 50 millions. That gives us also a proportion of about 11 per cent. of our national income. We thus find that of the total national income about 11 per cent. is contributed in imperial and local taxation in England; about  $12\frac{1}{2}$  per cent. in France; and about 11 per cent. in India. When it is further remembered that the charge for the poor in England amounts to about one



per cent. of the national income, and that that charge is borne privately by ourselves in this country, we may put our proportion also at 12 per cent. of the whole national income. It is quite clear therefore from these figures—and they may be relied on for general purposes—that relatively to our resources we contribute the same proportion of our income in the shape of imperial and local taxation. But where the trouble comes in is in its distribution. The revenue thus raised is distributed in this country much more unfavourably to local bodies than happens to be the case in England and in France. In England, as I have already explained, the local bodies had in 1909, 70 millions of their own; in addition they received in that year grants—assigned revenues and grants—from the Central Government amounting altogether to no less than 28 millions. They thus received altogether about 98 millions out of a total of 200 millions, and this, exclusive of the charges for police in Ireland and in the Metropolis. Thus the total of 200 million pounds raised by taxation was practically divided half and half between the Central Government and local authorities, the Central Government taking half for central purposes which have been described as ‘onerous’ purposes, and the other half going to local authorities for what are called ‘beneficial’ purposes. In France, in addition to the revenue raised by taxation by the local authorities, they received a little over 2 millions as grants from the Central Government. Taking into consideration these grants, as also the grants for education and the expenditure for police, we find that about 95 millions represented the expenditure of the State for central purposes out of this 153 millions, and about 58 millions represented local expenditure, including police and educational expenditure among the local, for making a uniform comparison. This gives us a proportion of about two-fifths for local and three-fifths for the State. In India it will be found that, even including the Government expenditure on police, education and medical relief in local expenditure—I include the police in India among ‘beneficial’ services with considerable hesitation—we still find that the Central Government took last year about 40 millions out of a total of 50 millions for its own

purposes, *i.e.*, four-fifths; of the remaining 10 millions, too, more than one-half—nearly two-thirds—was administered by the State itself, and only a little less than one-half being administered locally. Here then is the real root of our trouble. It is not that we pay less for imperial and local purposes, but that what we pay is distributed so unequally between imperial and local services in this country. The Central Government here takes a much larger proportion than what is done in England or France.

Now, my Lord, I do not say that this can be remedied at once; but some way must be found to secure a larger proportion for local bodies. There is one circumstance of a most striking character to which I must invite the attention of the Council. The total contribution from land is distributed in an altogether different manner here and in England or France. In England the bulk of the contribution that comes from land goes to local bodies, the Central Government receiving only a very small amount as land-tax. In France more than half the contribution from land goes to local bodies. For the year which I have taken into consideration, for every hundred centimes levied by the State from land, there were 130 centimes levied by the Communes and Departments together. In this country, however, the division is in the proportion of 16 to 1, that is, sixteen-seventeenths goes to the State and only one-seventeenth to local bodies. Now there we have really a very serious grievance. I know that it will be said that in this country the land belongs to the State; but after all it is only a theory, and a mere theory cannot change the character of a fact. And that fact is that the total contribution from land is distributed in India in a proportion which is most unfair to local bodies. If we could get for our local bodies a much larger share of the contribution from land, even if the proportion was not as high as in the West, most of the financial troubles of those bodies will disappear. Of course, my Lord, I do not mean that any large proportion of the land-revenue can be transferred at once to local bodies. But I urge that, in consideration of this difference, the Government should help our local bodies with large recurring grants. In any case, the whole

question requires to be carefully considered. A great authority on finance, Mr. Bastable, in the chapter on local taxation in his *Public Finance*, points out that land is pre-eminently a source from which local taxation must necessarily be largely drawn; and he points out that in rural areas, there is hardly anything else from which a local revenue can be derived. This is Bastable's view, and I think his authority must be acknowledged by every one. I therefore urge, my Lord, that a careful and thorough inquiry into this question is absolutely necessary, by a body of men qualified to deal with the subject, who should confine themselves to this sole and single question of the adequacy or otherwise of the resources of local bodies. The Committee should inquire into, first of all, whether the present distribution of resources between the Imperial Government and the local bodies is a fair one; secondly, in what ways the Central Government can come to the assistance of the local bodies—whether any revenues can be assigned as is done in England, and, if so, what, to what extent steadily increasing recurring grants-in-aid can be made from the Imperial Exchequer to the local bodies, and whether there is any margin for additional local taxation, and, if so, to what extent. I, for instance, would revive octroi in Bengal and Madras. The theoretical objections against octroi will, I think, not do in this country at our present stage. If you disallow octroi, you shut out an important and fairly large source of revenue for our local bodies. My Lord, I urge this inquiry because the whole future of our local self-government depends upon this. It is freely admitted by every one—by the Government and by the non-official public alike—that there can be no more potent instrument of political education for the mass of our people than local self-government. On this account, as also because the interests of health, education and communications, which are in the charge of local bodies, are of the utmost importance to the community, that I urge a sympathetic examination of this question. My Lord, the Hon'ble the Finance Minister told us the other day—he said he was committing an indiscretion, but the country is grateful to him for that indiscretion that, in one of the first conversations he had

with Your Excellency, you stated to him that it was your earnest desire specially to promote the interests of education and sanitation in this country during your administration. My Lord, there can be no nobler gift bestowed on humanity than the two gifts of health and knowledge. We all fervently pray that Your Excellency may be enabled to realise this ambition of your heart. But if the ambition is to be realised, it can only be by strengthening the financial position of local bodies, because both sanitation and education can be promoted in the land only through the instrumentality of local bodies. I, therefore, earnestly trust that the Government will direct an inquiry such as I have proposed. The question is a very large one, and it has got to be dealt with in a large way. Unless it is so dealt with, local bodies are enabled to discharge the functions which have been entrusted to them properly, not only will local self-government prove a failure, but those great interests, those sacred interests, which have been made over to them—the interests of health and education—will also suffer.

My Lord, I move the Resolution which stands in my name.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows:—]*

My Lord, I was glad to hear the assurance which the Hon'ble Sir James Meston gave that the Government will consider the opinions expressed in the course of this debate in passing final orders on the recommendations of the Decentralization Commission. The delay in passing such orders has already been very considerable, and I hope the question will be dealt with very early now. Of course, we know that the wheels of the Government do grind slowly; only I am not sure that they grind 'exceeding small.' However, I sincerely trust we shall not have to wait very much longer now.

As regards the question of land-revenue—whether it was rent or tax, and whether I was right in including it among the proceeds of taxation—the Hon'ble Member has raised again the old controversy to which by anticipation

I had briefly referred. I will, however, mention in this matter a great authority on the subject—an authority which I hope will satisfy even the Hon'ble Member. One of the most distinguished Finance Ministers that the Civil Service ever gave to India was Sir David Barbour. Now, Sir David Barbour, as I have already stated, assisted Lord Cromer in his inquiry into the income in India per head, an inquiry which was made in the early eighties. The report, setting forth the final conclusions of that inquiry, has been treated by Government, curiously enough, as a confidential document. On several occasions a demand was made in the House of Commons for the production of that report, but the Secretary of State invariably resisted it on the ground that the papers were confidential. By an extraordinary chance, however, I came across a copy of this report in the Imperial Records—I found it among a heap of books in a neglected corner. On the outside the volume had nothing to indicate that it was of a confidential character; inside, however, the word 'Confidential' was printed in a corner. I asked the librarian, as the book was there among other books, if I could use it, and he said I could, as well as any other book in the room! Now in that report, Sir David Barbour gives his deliberate opinion that our land-revenue must be included among the contributions made by the people, and he gives most excellent grounds for that opinion. He says the only question that has to be considered is, of the total wealth produced by the community, how much is required by the Government for the purposes of administration? It is quite clear that if the Government did not take this land-revenue from the people, it would remain with the community and would fructify in its pockets. In that respect land-revenue stands precisely on the same level as the proceeds of the salt-tax or any other taxes, and therefore in estimating the total contribution of the people for the expenses of the Government, land-revenue, he says, must be included.

My Hon'ble friend also said that if once the principle of regular grants was introduced, there was the danger of local bodies pressing Government for more and more money, and that would be irresponsible finance. I will tell

the Hon'ble Member a little story by way of answer to that. A little child that had to trudge a long way to school asked its father once to give it a penny for a bus ride. The father, however, tried to point out that children that drove in carriages were also discontented, that they aspire to drive in taxis and motors, and that it was therefore best to resist his request for a penny for a bus ride. My Lord, we are not even at the beginning of the system of grants-in-aid; when we get substantial grants, I think it will be time enough for the Government to talk of the possible abuses of the system. Moreover, the Hon'ble Member forgets that there is an important safeguard against any such abuse in this country. In England a private Member has plenty of influence: here we can only bring up questions for discussion, and until the constitution of this Council is remodelled, the Finance Department, I am quite sure, in spite of what the Hon'ble Sir Guy Fleetwood Wilson said at the end of his speech, can well go to sleep. They have nothing to fear from us, poor non-official members of this Council!

One more remark of the Hon'ble Member I must notice, namely, that the additional centimes in France were demoralising. I have no personal knowledge of that, but I am not quite convinced that the Hon'ble Member is right. Our one-anna cess is already in the nature of 'additional centimes,' and the Government had no objection to that. If you will not have this provision of centimes, you will have to depend upon grants-in-aid or assigned revenues. How else were our rural bodies to derive their revenue? Either the one or the other way must be adopted, or else, let it be said straight off that no more money could be found for local bodies. Now, as has been pointed out by Bastable, land is the only source from which rural bodies can derive the bulk of their income. But in this country land is already taxed up to the hilt, and therefore, unless the Government comes forward to make a liberal contribution to the local bodies, I do not see any other way in which local bodies can be really helped.

As regards what has fallen from the Finance Minister, it is quite true that there are Provincial Governments

intervening between the Government of India and the local bodies. But the distribution of the proceeds of our total taxation between imperial and local is a matter that principally concerns the Imperial Government and not the Provincial Governments, who, I am sure, will be simply glad to pass on to the local bodies the money that the Imperial Government may place at their disposal for the purpose. Moreover, your theory is that all the revenue belongs to the Imperial Government and the money that goes to the Provincial Governments is placed by you at their disposal as your agents. If you claim that, the responsibility also to find all the money required rests on you. I can assure the Hon'ble Member that if he is able to place recurring grants intended for local bodies at the disposal of the Local Governments, they will only be too glad to pass on these grants to local bodies. Therefore, action must be taken here by the Imperial Government and not by the Local Governments.

Then the Hon'ble Member says that recently grants have been given for sanitation. Yes, but they are non-recurring grants. You may give non-recurring grants from time to time whenever you are in a mood to do so. What I want is large recurring grants regularly provided out of the Budget for local bodies. The provision should be independent of what the state of the finances may be—prosperous or otherwise. I shall not object to additional taxation if necessary in order that this provision might be made. Education, sanitation and communication are services that require to be looked after quite as well as those that the Imperial Government has taken charge of. The Hon'ble Member says that if a committee is appointed, the members might look to the requirements of the local bodies, and the requirements of the Imperial Government might be left out. But all the six or seven members of the Imperial Government are constantly there and have been there, all these years, to think of the requirements of the Imperial Government. Only these two years a member has been put into this charmed circle to think about local bodies and their position. The influence of this new Department is already seen in the increased

grants that we have received for education and sanitation during the last two years. I am glad that the Hon'ble Member in charge of education and sanitation is now there to put continued pressure on the Finance Department. All the other members, however, are there every day to think solely of the Imperial requirements. My Lord, it is the local requirements that in the present scheme of things which have no great chance of being considered. I therefore urge that Government should appoint a body to make an inquiry not into a hundred subjects, but into this one sole single subject. I am quite sure that some day or other the Hon'ble Member will have to make an inquiry, and then even the juggler's illustration may come true. But considering the assurance which has been given by the Finance Department, namely, that the views expressed to-day will receive consideration when disposing of this question, I am content not to press this Resolution to-day, and I therefore beg to withdraw it.

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## GOLD CURRENCY.

*[On the 22nd March 1912, the Hon'ble Sir Vithaldas Thackersey moved a Resolution in the Imperial Legislative Council recommending the throwing open of Indian mints to the free coinage of gold. Mr. Gokhale, in supporting the Resolution, spoke as follows :—]*

My Lord, I beg to support this Resolution. My Hon'ble friend Sir Vithaldas Thackersey has referred to certain remarks which I had made in this Council a few years ago, and he has invited me to-day to develop my view still further. I do not know that there is much to develop, but I will briefly state what I think of one aspect—an important aspect—of the matter. In dealing with the question of high prices in 1903-1909, I had to give some thought to this question of the coinage of rupees and this was how I expressed my views on the occasion :

It seems to me that the only way now out of our difficulties is to follow the example of France and the United States, and while admitting the rupee to unlimited tender, stop the coinage of new rupees and coin gold pieces instead. Of course I express this opinion with great diffidence, for there are serious considerations on the other side and the whole subject is enveloped in great obscurity. But I fear that the present half-way house will not do, and unless we place our currency on an automatic and self-adjusting basis, the clouds that are already overhead will thicken and not roll away.

The clouds that I specially referred to were clouds of high prices and also of certain apprehensions in connection with the adequacy or otherwise of our gold standard reserve to maintain the level of exchange. My Lord, so far as the question of prices is concerned, that is a matter which is under some sort of inquiry at present, and I do not therefore want to go into it at any length. The fact that there are no additions made during the last three years to our total silver currency has undoubtedly tended to ease the situation as regards prices. But if we are again on the eve of large additions to our silver currency, I fear the

question will be further complicated and the complications might possibly grow most serious. The view that I take of this matter is briefly this. The quantitative theory of money, as every student of political economy knows, holds good in the case of backward countries like India much more than in the case of advanced countries which have a highly developed system of credit instruments. Now, in that view of things, prices are a function, to use a mathematical phrase, of three variables; they depend upon three factors—the volume of currency, the supply of commodities, and the demand for commodities. Any two factors being the same, they vary with the third factor, either directly or inversely, as the relation may be. For instance, they vary directly with the volume of currency; they also vary directly with the demand for commodities; and they vary inversely with the supply of commodities. Now, assuming for the moment that the demand and supply continue normal, prices will vary according to the volume of currency. Of course it takes a fairly long period for these adjustments to take place, but I am stating only the tendency of things. Whether the total volume of currency that exists in circulation at any particular moment is adequate or otherwise depends upon a number of considerations, and the demands of new industrial developments in the country, increases in production, increased facilities for exchange and various other factors of that kind. But I am not going into that just now; I am simply considering the single phenomenon of prices in relation to the volume of currency, leaving everything else out as normal. Now, what is the difference if you have an automatic self-adjusting currency such as we may have with gold or we had with silver before the year 1893, and the kind of artificial currency that we have at present. Situated as India is, you will always require, to meet the demands of trade, the coinage of a certain number of gold or silver pieces, as the case may be, during the export season, that is for six months in the year. When the export season is brisk, money has to be sent into the interior to purchase commodities. That is a factor common to both situations whether you have an artificial automatic gold currency as now or a silver currency. But the difference

is this. During the remaining six months of the slack season there is undoubtedly experienced a redundancy of currency, and under a self-adjusting automatic system there are three outlets for this redundancy to work itself off. The coins that are superfluous may either come back to the banks and to the coffers of Government; or they may be exported, or they may be melted by people for purposes of consumption or other wants. But where you have no self-adjusting and automatic currency, where the coin is an artificial token of currency such as our rupee is at the present moment, two out of three of these outlets are stopped. You cannot export the rupee without heavy loss, you cannot melt the rupee without heavy loss, and consequently the extra coins must return to the banks and the coffers of Government, or they must be absorbed by the people. In the latter case, the situation is like that of a soil which is water-logged, which has no efficient drainage, and the moisture from which cannot be removed. In this country the facilities for banking are very inadequate, and therefore our money does not swiftly flow back to the banks or Government treasuries. Consequently the extra money that is sent into the interior often gathers here and there like pools of water, turning the whole soil into a marsh. I believe the fact cannot be gainsaid that the stopping of two outlets out of three tends to raise prices by making the volume of currency redundant. If we had a gold currency in place of the present artificial silver currency, when there is a redundancy, the people could re-melt gold coins into bullion or export gold coins without loss; but the rupee being what it is the people cannot melt or export it, because of the difference between its token and intrinsic values, and every rupee coined remains as a net addition to the currency. It has been estimated that an average of about three crores of rupees used to be melted annually by the people under the old system for purposes of ornaments, etc. Where the cost of carrying bullion from the ports into the interior exceeded the slight loss that was incurred by melting rupees, people melted rupees. And the present disability will remain as long as our currency remains artificial. As

a matter of fact, those who suggested that our currency should be placed on its present basis had foreseen this, and they had recommended that the present should only be a temporary arrangement. The Fowler Committee and other authorities have advocated a gold standard and a gold currency, not a silver currency, as the permanent arrangement for this country. The time has come when we should consider whether we should not enter on the next stage of our currency policy and go in for the coinage of gold pieces, admitting silver, however, for the present to unlimited legal tender. But a time must come when silver will have to be restricted in amount as legal tender, and gold will then have to be the principal coin of the country. My Lord, I support this Resolution.

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## ELEMENTARY EDUCATION, 1910.

*[On 18th March 1910, Mr. Gokhale, in moving a Resolution in the Imperial Legislative Council, recommending that a beginning be made in the direction of free and compulsory education and that a commission be appointed to frame definite proposals, spoke as follows :—]*

I beg to place the following Resolution before the Council for its consideration :—

That this Council recommends that a beginning should be made in the direction of making elementary education free and compulsory throughout the country, and that a mixed Commission of officials and non-officials be appointed at an early date to frame definite proposals.

My Lord, I trust the Council will note carefully what it is exactly that this resolution proposes. The resolution does not ask that elementary education should be made compulsory at once throughout India. It does not even ask that it should be made free at once throughout the country, though this was the course which the Government of India themselves were decidedly inclined to adopt three years ago. All that the resolution does is to recommend that a beginning should now be made in the direction of making elementary education free and compulsory and that a Commission should be appointed to consider the question and frame definite proposals. In other words, I propose that the State should now accept in this country the same responsibilities in regard to mass education that the Governments of most other civilized countries are already discharging, and that a well-considered scheme should be drawn up and adhered to till it is carried out.

My Lord, a French writer has just described the nineteenth century as pre-eminently the century of the child. The question of the education of the child occupied the attention of statesmen during that century as

much as any other important question, and there is no doubt that the enormous expansion of popular education that has taken place during the period in the Western world ranks in importance with its three other great achievements, *viz.*, the application of science to industrial processes, the employment of steam and electricity to annihilate distance, and the rise of democracies. My Lord, three movements have combined to give to mass education the place which it occupies at present among the duties of a State—the humanitarian movement which reformed prisons and liberated the slave, the democratic movement which admitted large masses of men to a participation in government, and the industrial movement which brought home to nations the recognition that the general spread of education in a country, even when it did not proceed beyond the elementary stage, meant the increased efficiency of the worker.

My Lord, the time is long past when anybody could seriously contend that the bulk of human beings were made for physical labour only and that even the faint glimmer of rudimentary knowledge was not for them. On the contrary, it is at present universally recognized that a certain minimum of general instruction is an obligation which society owes to all its future members, and in nearly the whole civilized world every State is trying to meet this obligation only in one way, namely, by making elementary education compulsory and free. And thus it is, that, led by the German States, country after country in Europe and America and Japan in the East have adopted this system of free and compulsory education; and we find to-day all the countries in Europe, excepting Russia and Turkey, and the United States of America and Canada and Australia and Japan and several even of the smaller Republics in South America—all having this system in operation. And even within the borders of India itself it is gratifying to note that the enlightened and far-seeing Ruler of Baroda, after an experiment of 15 years carried out in one of the talukas of his State, namely, the Amreli Taluka, has since last year extended this system to the whole of his State.

The statistics of school attendance in the different countries are in this connection deeply instructive. To understand these statistics it is necessary that we should remember that the English standard of school-going population is 15 per cent., but that standard pre-supposes a school period of 6 to 7 years. In England the period—the compulsory period—being from 6 to 7 years, they estimate that about 15 per cent. of a country must be at school. It follows therefore that where this period is longer the proportion of the total population that will be at school will be greater, and where the period is shorter the proportion will be smaller. Now in the United States and in some of the continental countries this period is 8 years, whereas in Japan it is only 4 years, and in Italy it is as low as 3 years. Remembering these things I would ask the Council to note the statistics. In the United States of America 21 per cent. of the whole population is receiving elementary education; in Canada, in Australia, in Switzerland, and in Great Britain and Ireland the proportion ranges from 20 to 17 per cent; in Germany, in Austria-Hungary, in Norway, and in the Netherlands the proportion is from 17 to 15 per cent; in France it is slightly above 14 per cent.; in Sweden it is 14 per cent.; in Denmark it is 13 per cent; in Belgium it is 12 per cent.; in Japan it is 11 per cent.; in Italy, Greece and Spain it ranges between 8 and 9 per cent.; in Portugal and Russia it is between 4 and 5 per cent. I may mention in this connection that though elementary education is nominally compulsory in Portugal, the compulsion is not strictly enforced, and in Russia it is not compulsory, though for the most part it is gratuitous. In the Philippine Islands it is 5 per cent. of the total population; in Baroda it is 5 per cent. of the total population; and in British India it is only 1·9 per cent. of the total population.

I must now invite the Council to survey briefly the progress made in this country in the matter of primary education during the last half century. It is well known that our modern educational system dates from the time of the famous despatch of 1854. Before that despatch was received, it has been estimated by the Education Commis-

sion of Lord Ripon's Government that primary education was in existence on a considerable scale in this country. The total estimate made by them was that about 9 lakhs of pupils were receiving instruction in indigenous schools uncontrolled by any State agency and in accordance with ancient traditions. The Court of Directors in their despatch of 1854 first of all made the following declaration :—

It is one of our most sacred duties to be the means, as far as in us lies, of conferring upon natives of India those vast moral and material blessings which flow from the general diffusion of useful knowledge and which India may under Providence derive from her connection with England.

In other words, as the Education Commission of 1882 say, in 1854 the education of the whole people in India was definitely accepted as a State duty. The despatch went on further to say thus :—

Our attention should now be directed to a consideration, if possible still more important, and one which has hitherto, we are bound to admit, been too much neglected, namely, how useful and practical knowledge suited to every station in life should be best conveyed to the great mass of the people who are utterly incapable of obtaining any education worthy of the name by their own unaided efforts, and we desire to see the active measures of Government more specially directed for the future to this object, for the attainment of which we are ready to sanction a considerable increase in expenditure.

The next landmark in our educational progress is the Commission of 1882 appointed by the Government of Lord Ripon. This Commission was appointed to enquire into the state of education throughout the country, and one of the chief subjects suggested for inquiry was how far the policy laid down in the despatch of 1854 in regard to elementary education had been carried out. The Commission made careful inquiries and found that in 1882 there were about 85,000 primary schools in the country recognised by the Department, and there were about  $21\frac{1}{2}$  lakhs of pupils attending these schools. In addition to these there were about  $2\frac{1}{2}$  lakhs attending unrecognized schools. If we include these in our statistics for the purpose of finding out what was the extent of elementary education, then we get a total of 25



lakhs of pupils in 1882 receiving elementary instruction. That means 1·2 per cent. of the whole population of India at that time. The Commission, after pointing out how great was the area that still had to be covered, made several recommendations, of which I will quote these two. The first was :—

While every branch of education might justly claim the fostering care of the State it is desirable in the present circumstances of the country to declare the elementary education of the masses, its provision, extension and improvement, to be that part of the educational system to which the strenuous efforts of the State should now be directed in still larger measure than heretofore.

The second recommendation, which has not been much noticed was that :—

An attempt be made to secure the fullest possible provision for an expansion of primary education by legislation suited to the circumstances of each province.

Well, that was in 1882. A quarter of a century has elapsed since then, and what do we find to-day? The number of schools has risen from 85,000 to about 113,000: the number of pupils to-day in recognized schools both for boys and girls is about 39 lakhs. If we include in our estimate pupils who are attending unrecognized schools, we get a total of under 45 lakhs or about 1·9 per cent. of the whole population. Thus in the course of a quarter of a century the progress of primary education in this country is represented by an advance from 1·2 per cent. to 1·9 per cent. of the total population. My Lord, I venture to say that this is exceedingly slow and disappointing progress. It will be noticed on a reference to the last quinquennial report that a large part of this progress has been achieved during the last 6 or 7 years only. But even at this latter rate, I am quite sure that the rate of progress will not be regarded as in any way satisfactory; and well may the Hon'ble Mr. Orange say in his last report, as he says :—

But the rate of increase for the last 25 years or for the last 5 is more slow than when compared with the distance that has to be travelled before primary education can be universally diffused. If the number of boys at school continued to increase even at the rate of increase that has taken place in the last 5 years and there

were no increase in population, even then several generations would still elapse before all the boys of school-age were in school.

The expenditure on primary education from public funds, that is, from provincial, municipal and local funds all taken together, has advanced during this period only by about 57 lakhs. It was a little over 36 lakhs then; it is over 93 lakhs just now. Now during the same period our land-revenue has advanced by 8 crores. It is now a little over 29 crores as against a little over 21 crores then. Our military expenditure during the same time has risen by about 13 crores: it was 19 crores then; it is now over 32 crores. The expenditure on civil departments has gone up by 8 crores. It is to-day 19 crores, I am taking the figures for 1907: it was about 11 crores then. Even the capital outlay on railways, which averaged about 4 crores in those days, it will now be noticed, has gone up to about 15 crores. The contrast suggested by these figures is obvious and I do not think that any comment is necessary.

I think, my Lord, a comparison of the progress made in this country during the last 25 years with what has been achieved in other countries during a corresponding period would be of great interest and is undoubtedly of great significance. I will take for purposes of this comparison four countries, two from the West and two from the East. I will take England and Russia from the West, and I will take Japan and the Philippines from the East. Well, what do we find? In England compulsory education was first introduced in the year 1870. England with her strongly marked love of individualism stood out against the continental system as long as she could. It was only in 1870 that the first step towards making elementary education compulsory was taken. The famous Act of 1870 did not introduce compulsion directly. It introduced what was described as permissive compulsion, that is, it conferred powers upon School Boards to frame bye-laws requiring the attendance of children at school. That was the first step. Six years afterwards another enactment was passed, and in 1880 a third enactment was passed whereby the fabric of compulsion was completed. The enactment of 1876 imposed an obligation on parents to

send their children to school and it also created School Attendance Committees in those areas where there were no School Boards : and finally, in 1880, compulsion was made absolute because the framing of bye-laws requiring attendance by School Boards Committees which was optional before, was made obligatory by the Act of 1880. The statistics about attendance during that period of 12 years are of great interest. Sir Henry Craik in his book, *The State in Relation to Education*, gives these statistics, from which we find that in 1871, when the population of England was 22 millions, the number of children actually attending schools was only 13,000,000. That amounted to about 43·3 per cent. of the school-going population which at 15 per cent. meant a little over three millions. In 1876 the number had risen to 2 millions, which was about 66 per cent. of the school-going population. By 1882 the number had already gone beyond 3 millions, that is, almost every child that should have been at school was at school. The whole problem was thus solved in 12 years and the attendance at schools was carried from 43·3 to nearly 100 per cent. in the period between 1870 and 1882. In 1881, England made education free.

Turning now to Japan we have an illustration of progress under other conditions. Japan has successfully applied Western methods to Eastern conditions of life, and in Japan we find that the modern educational system of the country dates, like almost everything else connected with her modern greatness, from the year 1872.

In that year a rescript was issued by the Emperor in which the following words occur : " It is designed henceforth that education shall be so diffused that there may not be a village with an ignorant family, or a family with an ignorant member." Ambitious words these, my Lord, as Mr. Sharpe points out, but Japan has entirely fulfilled them in the course of about 30 years. Before 1872, the total proportion of her population that was at school was only about 28 per cent. By the time that the century closed the proportion had already advanced to over 90 per cent. All this was achieved by Japan during a period when at the same time she created her magnificent army

and navy, which have extorted the unstinted admiration of the world. In Japan education is now practically compulsory, though they rely more upon moral persuasion than upon compulsion. In the earlier years of this period compulsion was not strictly enforced, but from 1890 steps have been taken to secure the attendance of every child of school-going age. In 1900, Japan made education free as far as possible.

Now, I turn to Russia. The educational problem in Russia is in many respects similar to the educational problem in this country, and yet we shall find that during the period of which I am speaking, that is, from 1880 to 1907, the progress of primary education even in Russia has been far greater than it has been in this country. In Russia the Government tried by the law of 1864 and the law of 1871 to direct the course of education, but without much success. As a matter of fact, the Government has not been able to do in Russia anything like what other Governments in the West have done in their countries. Even so, in the year 1880, there were just over a million pupils at school in Russia, and there were about 25,000 schools at that time. During the 25 years of which I speak the number of schools has risen to 90,000, and the number of pupils has gone up to nearly six millions. It was for 1906-1907, 5,700,000. Thus in 1880, according to the population at that time, about 1.2 per cent. of the total population was at school. Curiously enough, that was precisely the proportion in India at the time, 1.2 per cent. of the whole population. In 1903-1907, however, the proportion had gone up in Russia to about 4.5 per cent. of the population as against 1.9 in India. In Russia, as I have already pointed out, education is not compulsory, but it is for the most part gratuitous.

Lastly, I will take the case of the Philippine Islands which are under foreign rule. As is well known, the Philippines passed under the rule of America, under the rule of the United States, from the rule of Spain at the close of the last century. Definite reliable statistics are available from the year 1903; and taking the period 1903-1908, the period corresponding to that in regard to

which the Hon'ble Mr. Orange mentions the fact that the progress has been far greater than during any other time before in India, what do we find? In 1903 the number of schools was under 2,000, the number of pupils was about a lakh and a half (150,000). The total population of the Philippine Islands is about 7 millions. This gives for 1903 a proportion of about 2 per cent. of the whole population at school. In 1908 the schools had doubled and the numbers attending them had risen to 350,000, which give a proportion of about 5 per cent. of the whole population. Thus the population actually at school advanced from about 2 per cent. to 5 per cent. during 1903 to 1908, during which time in India it advanced only from 1·6 per cent. to 1·9 per cent. In the Philippines, education is compulsory, though the compulsion is not strictly enforced. It is also free where the teachers are paid out of public funds.

My Lord, I have troubled the Council with this review, not because I believe in bewailing lost opportunities, but because the problems of the present and the future can be successfully solved only when they are taken in relation to the past. 'Forget those things that are behind' is no doubt a wise injunction, and yet it is sometimes necessary to recall such things in order to understand the better those things that are ahead. I am sure there is no one in this Council who will question either the value or the necessity of universal education for the mass of the people. I am sure even my Hon'ble friend the Maharaja of Burdwan, with all his horror of Western socialism, will not want the mass of our people to remain steeped permanently in ignorance and darkness. Now the only way that the world has discovered to secure universal education in a country has been by making it compulsory and free. This is the only method that the world has found to be successful and so far there is no other method in the field. Again, if you make elementary instruction compulsory, it follows that you will have also to make it free, because otherwise compulsion would operate harshly on the poorer classes of the community. The only question therefore that we have to consider is how far we in this country can now adopt that principle which has already been adopted by most countries.

of the civilized world, and which has already produced those most striking results that I have already mentioned to the Council. Now this question, I admit, is largely a question of what is practicable and not a question of mere theory. I want therefore to approach the question and consider it strictly and solely from a practical standpoint. There is no doubt that I shall be told in the course of this discussion that the country is not yet ripe for the introduction of the compulsory principle. Well, I myself admit the necessity of proceeding in this matter with extreme caution and only after due deliberation, but the objection that the country is not ripe for any particular reform has always been urged, as far as I am aware, against every reform that has ever been proposed. We shall not therefore take much note of that objection, but consider what are the practical difficulties that will have actually to be surmounted before this principle is successfully applied to Indian conditions. My Lord, what is the extent of the problem that we have got to solve in this country? This is the first consideration. Here let me state at the outset that I do not propose compulsion for the present for girls; I propose compulsion only for boys. For girls for the present and for some years to come, education will have to be on a voluntary basis. In some respects girls' education is even more important than that of boys in the India of to-day, and yet in view of the difficulties that surround that question, that education must be maintained for some years to come only on a voluntary basis. At the same time, far more vigorous efforts are necessary, on that voluntary basis, than have so far been made. But I want the Council clearly to understand that the compulsory principle which I advocate to-day is to be confined only to boys. We must therefore first of all ascertain what would be the number of boys that would be at school if education were compulsory in this country. Now I have already pointed out that the standard of 15 per cent. of the total population as the school-going population is the standard of England. There the school period is taken to be 6 to 7 years. I propose that we should be satisfied with a compulsory period of 4 years only as they have in Japan. In Japan

the period is from 6 years to 10 years of the child's age. I propose that we should be satisfied with that period. If we have this period as the compulsory period, it will be found on a reference to census returns that the proportion of the male population of the country between the years 6 and 10 is less than 12 per cent. of the total male population. Therefore, our problem is how to educate, how to have under elementary instruction 12 per cent. of the male population of the country. Now we find that already at the present moment, about 3 per cent. of the male population is at school—as a reference to the last quinquennial report will show. The number of boys at school, according to that report, is about 36 lakhs, and adding to that number the 5 or 6 lakhs that are attending schools not recognised by the State, it will be found that the proportion comes to about 3 per cent. of the total male population. We therefore have one quarter of the male population of school-going age already at school. What we want therefore is to quadruple this attendance and provide for the cost of such quadrupling. Now another reference to the quinquennial report will show that the cost of maintaining all these boys' schools in 1906-07 was about a crore and 36 lakhs from all sources, provincial, municipal and local, as also fees and other receipts. Well, assuming that all further expansion takes place only out of public funds, that there are no more fees charged and no more receipts from private sources coming, we shall need four times this cost in order to have the entire male population of school-going age at school. Four times a crore and 36 lakhs means about  $5\frac{1}{2}$  crores; that is about 4 crores more than what is expended at the present moment will have to be found if the entire male population of school-going age is to be maintained at school. Now I do not suggest that the whole of this burden should fall upon the State. I think it should be divided between the State and local bodies. I would suggest a proportion of two thirds and one-third, as they have in Scotland, where the Parliamentary grant and the amount spent from local rates stand to each other in the proportion of two to one. If the State will therefore undertake to defray two-thirds of this 4 crores, it will mean an additional expenditure of about

2½ crores when every boy is at school, supposing of course that the population remains where it is just now. This, however, it will be seen, will not have to be incurred at once. Two and two-third crores will be reached when the entire field has been covered, which will be a slow process even when the principle of compulsion, as I advocate it, has been adopted, because it will have to be applied slowly; I for one shall be satisfied if the whole field is covered in the course of, say, 20 years. If in the course of 20 years we get the entire male population of school-going age at school, I for one shall think that we have done extremely well. This means that the whole of this increased cost of 2½ crores which the State will have to incur will be spread over 20 years, and will not be incurred at once. Having pointed out thus the extent of the problem, I will now come to the actual proposals that I want to make. (1) My first proposal is that following the example of the Act of 1870, we should pass an Act conferring powers upon local bodies to make elementary education compulsory in their areas. I recognise, my Lord, that the unpopularity that will be evoked by the principle of compulsion in certain sections will be considerable; and in view of the special circumstances attaching to the position of the British Government in this country, I recognise that this unpopularity should not come to the State on account of any direct compulsion introduced by it. The compulsion introduced therefore should be indirect, through local bodies and not direct by the State. (2) My second proposal is that compulsion should be only for boys and not for girls. (3) My third proposal is that the period of compulsion should be between 6 years and 10 years as in Japan. (4) The fourth proposal is this. In any area where 33 per cent. of the male population is already at school, there this principle of compulsion should be applied. I have already pointed out that in England about 43·4 per cent. of the children were at school when compulsion was introduced. In Japan about 28 per cent. were at school. I should propose 33 per cent. as the proportion which should satisfy us that compulsion would not be premature in any particular area. Where 33 per cent. of the boys are actually at school, elementary education should be made



compulsory for all boys in that area. In other areas the attempt should be to work up to this proportion of 33 per cent. As soon as 33 per cent. is reached, compulsion should be introduced. (5) My fifth proposal is that wherever compulsory education is introduced, it should be gratuitous, because otherwise it would be a great hardship on poor people. At any rate the children of those parents whose income is below a certain limit, say, Rs. 25 a month, should receive gratuitous instruction. (6) My sixth proposal is that the extra cost should be divided between the Government and the local bodies in the proportion of 2 to 1. (7) My seventh proposal is that there should now be a separate Secretary for Education in the Home Department. Instead of having a Director-General I would have a Secretary in the Home Department specially for education, and eventually I look forward to the time when a Member in separate charge of education will be included in the Executive Council. (8) My eighth proposal is that education should now be a divided head instead of its being a purely Provincial head. The root of the mischief, as we see it to-day, is there. The resources at the disposal of the Provincial Governments are extremely limited. I know many of the Provincial Governments are anxious to spend more money on primary education; but it is a struggle with them which they have constantly to carry on to make the two ends meet, and it is not possible for them to find more money for primary education than they are able to spend at the present moment. The Government of India, on the other hand, has from time to time abundant resources at its disposal, though this year my Hon'ble friend has imposed extra taxation. In any case the Government of India has not the same struggle to make its two ends meet that the Local Governments generally have; if it had a direct responsibility for education instead of the remote responsibility that it has at present, I am quite sure more would be done for education. Education should therefore be a divided charge and there should be a definite programme before the Government, just as there is a programme for railways, which should be carried out steadily year by year. (9) My last proposal in this connection is that a statement describing the progress

of education from year to year should be published with the annual Financial Statement as is done in the case of Army Services and the Railway Board. These are the 9 definite practical proposals that I would like to submit to the consideration of this Council. I do not claim that these are the details of a complete scheme: they are only general suggestions tentatively thrown out, and if the Government will appoint a Commission such as I suggest, all these suggestions can go to that Commission, and the Commission would be able to pronounce definitely on their practicability. I now come to the financial part of the scheme. I have already said that the cost for the State will be about  $2\frac{2}{3}$  crores a year, to be worked up to in twenty years. Well, in spite of the financial difficulties of which we have heard a good deal this year, the State is in a position to meet this cost. The resources of the State are ample for this purpose. I will only briefly indicate them. First of all you have the normal growth of revenue, which was once estimated by Sir Edward Baker at about a crore and 20 lakhs a year. Then you must have retrenchment. I trust after what has been said during the course of the recent discussions that a rigorous policy of retrenchment will now be enforced especially in regard to those Departments which show over-grown expenditure, such as the Army and Civil Departments. Thirdly, there is that sum of about a million sterling, which is spent out of revenue partly for reducing debt under the Famine Insurance Grant and partly under Railways for redemption of debt. That ought to be made available for expenditure for current purposes. The fourth resource is this. For years, in the sixties and seventies, our import-duties used to be at  $7\frac{1}{2}$  per cent. instead of 5 per cent. There is no reason why they should not be at  $7\frac{1}{2}$  per cent. again. That will bring  $2\frac{1}{2}$  crores more for my Hon'ble friend there. The fifth source that I would point out is an export duty on jute and on several other commodities. A 5 per cent. duty on jute will mean about a crore of rupees. Lastly, I go further and I say this, that if the worst comes to the worst and every other resource fails, which I do not for a moment think to be possible I shall be prepared to advocate an extra 8 annas on salt

because I think it is a smaller evil that my countrymen should eat less salt than that their children should continue to grow up in ignorance and darkness and all the moral and material helplessness which at present characterises their lives.

My Lord, one word more and I have done. I will frankly confess that I have not introduced this resolution in the Council to-day in the hope that it will be adopted by the Council. Constituted as this body is, we all recognize that unless a resolution finds favour in the eyes of the Government, there is no chance of its being carried, and I recognize further that it is not reasonable to expect Government to accept this resolution without further consideration. Even if they are inclined to take a favourable view of my proposals, they are proposals which will naturally have to be referred to the Secretary of State before any decisive step is taken. I have not therefore the least expectation that this resolution will be adopted by the Council. But though the Government may not be able to accept the resolution, they certainly can undertake to examine the whole question at an early date in a sympathetic spirit. If that is done, I shall be satisfied. In any case the Government, I trust, will not do two things. I trust they will not make a definite pronouncement against the principle of free and compulsory education to-day, and I also trust that the resolution which I have moved will not be brushed aside on the plea that the condition of the finances does not admit of the proposals being maintained. My Lord, there is much truth in the homely adage that where there is a will there is a way. I think that this question of compulsory and free primary education is now in this country the question of questions. The well-being of millions upon millions of children who are waiting to be brought under the humanising influence of education depends upon it. The increased efficiency of the individual, the higher general level of intelligence, the stiffening of the moral backbone of large sections of the community, none of these things can come without such education. In fact, the whole of our future as a nation is inextricably bound up with it. My Lord, however this resolution may

be disposed of here to-day I feel that in this matter we are bound to win. The practice of the whole civilised world, the sympathies of the British democracy and our own natural and legitimate aspirations of which your Lordship has more than once admitted the reasonableness, all these are united in its favour. This resolution will come up again and again before this Council till it is carried to a successful issue. My Lord, I earnestly hope that the Government will read aright the needs of the situation and not fail to move with the times in this matter. To my mind the call of duty to them is clear, and it is also the call of statesmanship—that statesmanship which pursues, unflinching but unrelenting, the highest interests of the people committed to its care.

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## THE ELEMENTARY EDUCATION BILL.

*[On 16th March 1911, Mr. Gokhale, in asking for leave in the Imperial Legislative Council to introduce a Bill to make better provision for the extension of elementary education in India, spoke as follows :—]*

My Lord, I rise to ask for leave to introduce a Bill to make better provision for the extension of elementary education throughout India. Hon'ble Members will recollect that about this time last year, the Council considered a resolution which I had ventured to submit to its judgment, recommending that elementary education should gradually be made compulsory and free throughout the country, and that a mixed Commission of officials and non-officials should be appointed to frame definite proposals. In the debate, which ensued on the occasion, fifteen Members, including the Home Member, the Home Secretary and the Director-General of Education, took part. There was then no separate portfolio of Education, and educational interests rubbed shoulders with jails and the police, in the all-comprehensive charge of the Home Department. In the end, on an assurance being given by the Home Member that the whole question would be carefully examined by the Government, the resolution was withdrawn. Twelve months, my Lord, have elapsed since then, and the progress which the question has made during the interval has not been altogether disappointing. In one important particular, indeed, events have moved faster than I had ventured to hope or suggest. One of the proposals urged by me on the Government last year was that Education should, to begin with, have a separate Secretary, and that eventually there should be a separate Member for Education in the Governor General's Executive Council. The Government, however, have given us at one bound a full-fledged Department of Education, and the Hon'ble Mr. Butler has already been placed in charge of it. My Lord, the

Hon'ble Member's appointment to the new office has been received with general satisfaction, and it is recognized on all sides that he brings to his task a reputation for great practical capacity. What I value, however, even more than his practical capacity, is the fact that the Indian sun has not dried the Hon'ble Member and that he has not yet shed those enthusiasms with which perhaps we all start in life, and without which no high task for the improvement of humanity has ever been undertaken. I think, my Lord, the creation of a separate portfolio for Education brings us sensibly nearer the time when elementary education shall be universal throughout India. That there is a strong demand for this in the country—a demand, moreover, daily growing stronger—may be gathered from the fact that, since last year's debate, the question has been kept well to the fore by the Indian Press, and that last December resolutions in favour of compulsory and free primary education were passed not only by the Indian National Congress at Allahabad, but also by the Moslem League, which held its sittings at Nagpur. On the Government side, too, the declaration made in the House of Commons last July by the Under-Secretary of State for India that one of the objects of the creation of the new Education Department was to spread education throughout the country, the significant language employed by Your Lordship on the subject of education in your reply to the Congress address at the beginning of this year, and the Educational Conference, summoned by the Hon'ble Mr. Butler last month at Allahabad—all point to the fact that the Government are alive to the necessity of moving faster and that it will not be long before vigorous measures are taken in hand to ensure a more rapid spread of mass education in the land. The present thus is a singularly favourable juncture for submitting to the Council and the country the desirability of a forward move, such as my Bill proposes, and I earnestly trust the Council will not withhold from me the leave I ask to introduce the Bill.

My Lord, I expect the Government have now concluded their examination of my proposals of last year, and

perhaps the Hon'ble Member will tell us to-day what conclusions have been arrived at. The part of the scheme to which I attached the greatest importance was that relating to the gradual introduction of the principle of compulsion into the system of elementary education in the country, and that part is now embodied in the Bill which I wish to introduce to-day. My Lord, an American legislator, addressing his countrymen more than half a century ago, once said that if he had the Archangel's trumpet, the blast of which could startle the living of all nations, he would sound it in their ears and say: 'Educate your children, educate all your children, educate every one of your children.' The deep wisdom and passionate humanity of this aspiration is now generally recognised, and in almost every civilised country, the State to-day accepts the education of the children as a primary duty resting upon it. Even if the advantages of an elementary education be put no higher than a capacity to read and write, its universal diffusion is a matter of prime importance, for literacy is better than illiteracy any day, and the banishment of a whole people's illiteracy is no mean achievement. But elementary education for the mass of the people means something more than a mere capacity to read and write. It means for them a keener enjoyment of life and a more refined standard of living. It means the greater moral and economic efficiency of the individual. It means a higher level of intelligence for the whole community generally. He who reckons these advantages lightly may as well doubt the value of light or fresh air in the economy of human health. I think it is not unfair to say that one important test of the solicitude of a Government for the true well-being of its people is the extent to which, and the manner in which, it seeks to discharge its duty in the matter of mass education. And judged by this test, the Government of this country must wake up to its responsibilities much more than it has hitherto done, before it can take its proper place among the civilised Governments of the world. Whether we consider the extent of literacy among the population, or the proportion of those actually at school, or the system of education adopted, or the amount of money expended, on primary education, India is far, far behind'

other civilised countries. Take literacy. While in India, according to the figures of the census of 1901, less than 6 per cent. of the whole population could read and write, even in Russia, the most backward of European countries educationally, the proportion of literates at the last census was about 25 per cent., while in many European countries, as also the United States of America, and Canada and Australia, almost the entire population is now able to read and write. As regards attendance at school, I think it will be well to quote once more the statistics which I mentioned in moving my resolution of last year. They are as follows:—‘In the United States of America, 21 per cent. of the whole population is receiving elementary education; in Canada, in Australia, in Switzerland, and in Great Britain and Ireland, the proportion ranges from 20 to 17 per cent.; in Germany, in Austria-Hungary, in Norway and in the Netherlands the proportion is from 17 to 15 per cent.; in France it is slightly above 14 per cent.; in Sweden it is 14 per cent.; in Denmark it is 13 per cent.; in Belgium it is 12 per cent.; in Japan it is 11 per cent.; in Italy, Greece and Spain it ranges between 8 and 9 per cent.; in Portugal and Russia it is between 4 and 5 per cent.; whereas in British India it is only 1·9 per cent.’ Turning next to the systems of education adopted in different countries, we find that while in most of them elementary education is both compulsory and free, and in a few, though the principle of compulsion is not strictly enforced or has not yet been introduced, it is either wholly or for the most part gratuitous, in India alone it is neither compulsory nor free. Thus in Great Britain and Ireland, France, Germany, Switzerland, Austria-Hungary, Italy, Belgium, Denmark, Norway, Sweden, the United States of America, Canada, Australia and Japan, it is both compulsory and free, the period of compulsion being generally six years, though in some of the American States it is now as long as nine years. In Holland, elementary education is compulsory, but not free. In Spain, Portugal, Greece, Bulgaria, Servia and Rumania, it is free, and, in theory, compulsory, though compulsion is not strictly enforced. In Turkey, too, it is free and nominally compulsory, and in Russia, though compulsion has not yet been introduced, it



is for the most part gratuitous. Lastly, if we take the expenditure on elementary education in different countries per head of the population, even allowing for different money values in different countries, we find that India is simply nowhere in the comparison. The expenditure per head of the population is highest in the United States, being no less than 16s.; in Switzerland, it is 13s. 8d. per head; in Australia, 11s. 3d.; in England and Wales, 10s.; in Canada, 9s. 9d.; in Scotland, 9s. 7½d.; in Germany, 6s. 10d.; in Ireland, 6s. 5d.; in the Netherlands, 6s. 4½d.; in Sweden, 5s. 7d.; in Belgium, 5s. 4d.; in Norway, 5s. 1d.; in France, 4s. 10d.; in Austria, 3s. 1½d.; in Spain, 1s. 10d.; in Italy, 1s. 7½d.; in Servia and Japan, 1s. 2d.; in Russia, 7½d.; while, in India, it is barely one penny.

My Lord, it may be urged, and with some show of reason, that as mass education is essentially a Western idea and India has not been under Western influences for more than a century, it is not fair to compare the progress made by her with the achievements of Western nations in that field. I am not sure that there is really much in this view, for even in most Western countries, mass education is a comparatively recent development, and even in the East, we have before us the example of Japan, which came under the influence of the West less than half a century ago, and has already successfully adopted a system of universal education. Assuming, however, for the sake of argument, that it is not fair to compare India with Western countries in this matter, no such objection can, I believe, be urged against a comparison of Indian progress with that made in the Philippines, or Ceylon, or Baroda. The Philippines came under American rule only thirteen years ago; it cannot be said that in natural intelligence or desire for education, the Philipinos are superior to the people of India; and yet the progress in mass education made in the Islands during this short period has been so great that it constitutes a remarkable tribute to the energy and enthusiasm of American ideals. Under Spanish rule, there was no system of popular education in the Philippines. As soon as the islands passed into the possession of the United States, a regular programme of primary education

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came to be planned and has been steadily adhered to. The aim is to make primary education universal. Instruction is free, and the education authorities advise compulsion, though no compulsory law has yet been enacted. So great, however, is the enthusiasm that has been aroused in the matter that many Municipalities have introduced compulsion by local ordinances. And though there is room for doubt if the ordinances are strictly legal, no question has been raised, and the people are acquiescing cheerfully in their enforcement. How rapidly things are advancing in the Philippines may be judged by the fact that in five years—from 1903 to 1908—the number of pupils attending school more than doubled itself, having risen from 150,000 to 360,000. The proportion of children receiving instruction to the whole population of the islands is now nearly 6 per cent., as against 2 in British India.

The conditions of Ceylon approximate closely to those of Southern India, and the fact that it is directly administered by England as a Crown Colony need not make any difference in its favour. In regard to mass education, however, Ceylon is far ahead to-day of India. Elementary instruction in Ceylon is imparted by two classes of schools, Government and Aided, the Government schools covering about one-third, and the Aided schools two-thirds of the area. In Government schools, a system of compulsory attendance has long been in force, the defaulting parent being brought by the teacher before a Village Tribunal, who can inflict small fines. In 1901, a Committee was appointed by the Government to advise what steps should be taken to extend primary education in the Island and the Committee strongly recommended 'that Government should take steps to compel parents to give their children a good vernacular education.' Again, in 1905, a Commission was appointed to make further enquiries into the matter, and the recommendations of this body were accepted in the main by the Colonial Secretary. These recommendations were: (1) that attendance at school should be compulsory for boys during a period of six years in areas proclaimed by the Governor; (2) that no fees should be charged; (3) that

girls' education should be pushed on vigorously; (4) that District and Divisional Committees should be constituted to look after the education of children in their areas; and (5) that the Road Tax should be handed over to these bodies to form the nucleus of an Education Fund. Action was first taken under the new scheme in 1908, when 16 Districts were proclaimed by the Governor; and the official report for 1909 thus speaks of its working: 'There has been no difficulty so far, and there seems to be every reason to hope that none of the difficulties, which were anticipated by some of the managers of aided schools, will arise. It is hoped that in the course of the present year, it will be brought into working order in all the Districts.' In 1909 the total number of pupils, attending primary schools in Ceylon, was 237,000, which gives a proportion of 6.6 per cent. to the whole population of the Island.

Within the borders of India itself, the Maharaja of Baroda has set an example of enthusiasm in the cause of education, for which he is entitled to the lasting gratitude of the people of the country. His Highness began his first experiment in the matter of introducing compulsory and free education into his State eighteen years ago in ten villages of the Amreli Taluka. After watching the experiment for eight years, it was extended to the whole taluka in 1901, and finally, in 1906, primary education was made compulsory and free throughout the State for boys between the ages of 6 and 12, and for girls between the ages of 6 and 10. The age-limit for girls has since been raised from 10 to 11. The last two Education Reports of the State explain with considerable fullness the working of the measure, and furnish most interesting reading. In 1909, the total number of pupils at school was 165,000, which gives a proportion of 8.6 per cent. to the total population of the State. Taking the children of school-going age, we find that 79.6 per cent. of boys of such age were at school, as against 21.5 per cent. in British India; while the percentage of girls was 47.6, as against our 4 per cent. only. The total expenditure on primary schools in Baroda in 1909 was about 7½ lakhs of rupees, which gives a proportion of about 6½d. per head of the population, as

against one penny in British India. The population of Baroda is drawn from the same classes as that of the adjoining British territories, and every day that passes sees the subjects of the Gaekwar outstanding more and more British subjects in the surrounding districts.

My Lord, if the history of elementary education throughout the world establishes one fact more clearly than another, it is this, that without a resort to compulsion no State can ensure a general diffusion of education among its people. England, with her strong love of individualism, stood out against the principle of compulsion for as long as she could, but she had to give way in the end all the same. And when the Act of 1870, which introduced compulsion into England and Wales, was under discussion, Mr. Gladstone made a frank admission in the matter in language which I would like to quote to this Council. 'Well, sir,' said he, 'there is another principle and undoubtedly of the gravest character, which I can even now hardly hope—though I do hope after all that we had seen—is accepted on the other side of the House—I mean the principle that compulsion must be applied in some effective manner to the promotion of education. I freely and frankly own that it was not without an effort that I myself accepted it. I deeply regret the necessity. I think that it is a scandal and a shame to the country that in the midst of our, as we think, advanced civilisation, and undoubtedly of our enormous wealth, we should at this time of day be obliged to entertain this principle of compulsion. Nevertheless, we have arrived deliberately at the conclusion that it must be entertained, and I do not hesitate to say that, being entertained, it ought to be entertained with every consideration, with every desire of avoiding haste and precipitancy, but in a manner that shall render it effectual . . . . ' A Royal Commission, appointed in 1886 to report on the working of the measure adopted to make attendance at school compulsory in England and Wales, bore ungrudging testimony to the great effect which compulsion had produced on school attendance. 'It is to compulsion,' they wrote, 'that the increase of the numbers on the roll is

largely attributable. Among the witnesses before us, Mr. Stewart appears to stand alone in his opinion that, provided the required accommodation had been furnished, the result would have been much the same if attendance had not been obligatory. But to estimate fairly the influence, which compulsion has had upon the great increase in the number of children attending school, we must speak of it under the three heads into which its operation may be divided. There is, first, the direct influence of compulsion. This is exerted over parents, who are indifferent to the moral and intellectual welfare of their children, who are very eager to obtain what advantage they can from their children's earnings, but who never look beyond . . . But, secondly, compulsion exercises an indirect influence. Many parents are apathetic, yield weakly to their children's wish not to go to school. . . . But they are keenly alive to the disgrace of being brought before a Magistrate, the fear of which supplies a stimulus sufficient to make them do their duty in this respect. In addition, the existence of a compulsory law has considerably affected public opinion and has done much to secure a larger school attendance by making people recognise that the State regards them as neglecting their duty if their children remain uneducated. The Ceylon Commission of 1905, in dealing with the question whether attendance at school should be made compulsory, expressed themselves as follows :—' With the exception of one or two districts of the Island, little good will be done by any system which does not enforce compulsory attendance. The Dutch, who had an extensive and successful system of Vernacular schools throughout the portions of the Island which were under their rule, found it necessary to enforce attendance by fines, and did so regularly. Parents, throughout a large portion of the Island, exercise very little control over their children, and will leave them to do as they like in the matter of school attendance. The result is that, where there is no compulsion, boys attend very irregularly and leave school very early. That compulsory attendance is desirable we have no doubt. My Lord, primary education has rested on a voluntary basis in this country for more than half a century, and what is the

extent of the progress it has made during the time? For answer one has to look at the single fact that seven children out of eight are yet allowed to grow up in ignorance and darkness, and four villages out of five are without a school. During the last six or seven years, the pace has been slightly more accelerated than before, but, even so, how extremely slow it is, may be seen from what Mr. Orange says of it in the last quinquennial report, issued two years ago :—But the rate of increase for the last twenty-five years or for the last five is more slow than when compared with the distance that has to be travelled before primary education can be universally diffused. If the number of boys at school continued to increase even at the rate of increase that has taken place in the last five years, and even if there was no increase in population, even then several generations would still elapse before all the boys of school age were in school. My Lord, I respectfully submit that this state of things must be remedied; that India must follow in the wake of other civilized countries in the matter, if her children are to enjoy anything like the advantages which the people of those countries enjoy in the race of life; that a beginning at least should now be made in the direction of compulsion; and that the aim should be to cover the whole field in the lifetime of a generation. When England introduced compulsion in 1870, about 43 per cent. of her children of school-going age were at school, and ten years sufficed for her to bring all her children to school. When Japan took up compulsion, about 28 per cent. of her school-going population was at school, and Japan covered the whole field in about twenty years. Our difficulties are undoubtedly greater than those of any other country, and our progress, even with the principle of compulsion introduced, is bound to be slower. But if a beginning is made at once and we resolutely press forward towards the goal, the difficulties, great as they are, will vanish before long, and the rest of the journey will be comparatively simple and easy. My Lord, it is urged by those who are opposed to the introduction of compulsion in this country that though the Gaekwar, as an Indian Prince, could force compulsion on his subjects without serious opposition, the British

Government, as a foreign Government, cannot afford to risk the unpopularity which the measure will entail. Personally I do not think that the fear which lies behind this view is justified, because the Government in Ceylon is as much a foreign Government as that in India, and in Ceylon the authorities have not shrunk from the introduction of compulsion. But to meet this objection, I am quite willing that the first steps in the direction of compulsion should be taken by our Local Bodies, which reproduce in British territory conditions similar to those which obtain in Feudatory States. And even here I am willing that the first experiment should be made in carefully selected and advanced areas only. When the public mind is familiarised with the idea of compulsion, the Government may take the succeeding steps without any hesitation or misgiving. In view, also, of the special difficulties, likely to be experienced in extending the principle of compulsion at once to girls, I am willing that, to begin with, it should be applied to boys only, though I share the opinion that the education of girls is with us even a greater necessity than that of boys, and I look forward to the time when compulsion will be extended to all children alike of either sex. To prevent injudicious zeal on the part of Local Bodies, even in so good a cause as the spread of elementary education, I am willing that ample powers of control should be retained by the Provincial and Imperial Governments in their own hands. What I earnestly and emphatically insist on, however, is that no more time should now be lost in making a beginning in this all-important matter.

My Lord, I now come to the Bill, which I hope the Council will let me introduce to-day, and I ask the indulgence of the Council while I explain briefly its main provisions. The Bill, I may state at once, has been framed with a strict regard to the limitations of the position, to which I have already referred. It is a purely permissive Bill, and it merely proposes to empower Municipalities and District Boards, under certain circumstances, to introduce compulsion within their areas, in the first instance, in the case of boys, and later, when the time is

ripe, in the case of girls. Before a Local Body aspires to avail itself of the powers contemplated by the Bill, it will have to fulfill such conditions as the Government of India may by rule lay down as regards the extent to which education is already diffused within its area. Last year, in moving my resolution on this subject, I urged that where one-third of the boys of school-going age were already at school, the question of introducing compulsion might be taken up for consideration by the Local Body. I think this is a fair limit, but if the Government of India so choose they might impose a higher limit. In practice, a limit of 33 per cent. will exclude for several years to come all District Boards, and bring within the range only a few of the more advanced Municipalities in the larger towns in the different Provinces. Moreover, a Local Body, even when it satisfies the limit laid down by the Government of India, can come under the Bill only after obtaining previously the sanction of the Local Government. I submit, my Lord, that these are ample safeguards to prevent any ill-considered or precipitate action on the part of a Local Body. Then the Bill provides for a compulsory period of school attendance of four years only. Most countries have a period of six years, and even Ceylon and Baroda provide six years; Italy, which began with three, and Japan, which began with four years, have also raised their period to six years. But considering that the burden of additional expenditure involved will in many cases be the principal determining factor in this matter, I am content to begin with a compulsory period of four years only. The next point to which I would invite the attention of the Council is that the Bill makes ample provision for exemption from compulsory attendance on reasonable grounds, such as sickness, domestic necessity or the seasonal needs of agriculture. A parent may also claim exemption for his child on the ground that there is no school within a reasonable distance from his residence, to which he can send the child without exposing him to religious instruction to which he objects; and a distance of one mile is laid down as a reasonable distance. This, however, is a matter of detail, which, perhaps, may better be left to Local Governments. When a Local Body comes under the Bill,



the responsibility is thrown upon it to provide suitable school accommodation for the children within its area, in accordance with standards which may be laid down by the Education Department of the Local Government. On the question of fees, while I am of opinion that where attendance is made compulsory, instruction should be gratuitous, the Bill provides for gratuitous instruction only in the case of those children whose parents are extremely poor, not earning more than Rs. 10 a month, all above that line being required to pay or not in the discretion of the Local Body. This is obviously a compromise, rendered necessary by the opposition offered by so many Local Governments to the proposal of abolishing fees in primary schools, on the ground that it means an unnecessary sacrifice of a necessary and useful income. Coming to the machinery for working the compulsory provisions, the Bill provides for the creation of special school attendance committees, whose duty it will be to make careful enquiries and prepare and maintain lists of children who should be at school within their respective areas, and take whatever steps may be necessary to ensure the attendance of children at school, including the putting into operation of the penal clauses of the Bill against defaulting parents. The penal provisions, it will be seen, are necessarily light. To ensure the object of the Bill being fulfilled, the employment of child labour below the age of ten is prohibited, and penalty is provided for any infringement of the provision. Lastly, it is provided that the Government of India should lay down by rule the proportion in which the heavy cost of compulsory education should be divided between the Local Government and the Local Body concerned, it being assumed that the Supreme Government will place additional resources at the disposal of the Local Government, to enable it to defray its share, the Local Body being on its side empowered to levy a special Education Rate, if necessary, to meet its share of the expenditure. It is obvious that the whole working of this Bill must depend in the first instance upon the share, which the Government is prepared to bear, of the cost of compulsory education, wherever it is introduced. I find that in England the Parliamentary grant covers about two-thirds

of the total expenditure on elementary schools. In Scotland it amounts to more than that proportion, whereas in Ireland it meets practically the whole cost. I think we are entitled to ask that in India at least two-thirds of the new expenditure should be borne by the State.

This, my Lord, is briefly the whole of my Bill. It is a small and humble attempt to suggest the first steps of a journey, which is bound to prove long and tedious, but which must be performed, if the mass of our people are to emerge from their present condition. It is not intended that all parts of the Bill should be equally indispensable to the scheme, and no one will be more ready than myself to undertake any revision that may be found to be necessary in the light of helpful criticism. My Lord, if I am so fortunate as to receive from the Council the leave I ask at its hands, it will probably be a year before the Bill comes up here again for its further stages. Meanwhile, its consideration will be transferred from this Council to the country, and all sections of the community will have ample opportunities to scrutinise its provisions with care. My Lord, this question of a universal diffusion of education in India depends, almost more than any other question, on the hearty and sympathetic co-operation of the Government and the leaders of the people. The Government must, in the first instance, adopt definitely the policy of such diffusion as its own, and it must, secondly, not grudge to find the bulk of the money; which will be required for it, as Governments in most other civilised countries are doing. And this is what we are entitled to ask at the hands of the Government in the name of justice, for the honour of the Government itself, and in the highest interests of popular well-being. The leaders of the people, on their side, must bring to this task high enthusiasm, which will not be chilled by difficulties, courage, which will not shrink from encountering unpopularity, if need be, and readiness to make sacrifices, whether of money or time or energy, which the cause may require. I think, my Lord, if this Bill passes into law, the educated classes of the country will be on their trial. It is my earnest hope that neither they nor the Government will fail to rise to the

requirements of this essentially modest and cautious measure. My Lord, one great need of the situation, which I have ventured again and again to point out in this Council for several years past, is that the Government should enable us to feel that, though largely foreign in personnel, it is national in spirit and sentiment; and this it can only do by undertaking towards the people of India all those responsibilities, which national Governments in other countries undertake towards their people. We, too, in our turn, must accept the Government as a national Government, giving it that sense of security which national Governments are entitled to claim, and utilising the peace and order, which it has established, for the moral and material advancement of our people. And of all the great national tasks which lie before the country, and in which the Government and the people can co-operate to the advantage of both, none is greater than this task of promoting the universal diffusion of education in the land, bringing by its means a ray of light, a touch of refinement, a glow of hope into lives that sadly need them all. The work, I have already said, is bound to be slow, but that only means that it must be taken in hand at once. If a beginning is made without further delay, if both the Government and the people persevere with the task in the right spirit, the whole problem may be solved before another generation rises to take our place. If this happens, the next generation will enter upon its own special work with a strength which will be its own security of success. As for us, it will be enough to have laboured for such an end—laboured even when the end is not in sight. For, my Lord, I think there is not only profound humility but also profound wisdom in the faith which says:—

‘I do not ask to see that distant scene:  
One step enough for me.’

*[Replying to the criticisms which were offered to his motion for leave to introduce the Bill, Mr. Gokhale spoke as follows:—]*

Sir, I have surely no reason to be dissatisfied with the reception which the Bill has met with at the hands of the

Members of the Council. No man has the right to expect—and I certainly did not expect that any proposals that he brings forward on a subject of such importance would be accepted by a body like this Council without any criticism; and if I rise, Sir, just now, to speak a second time, it is for two reasons. In the first place, I wish to express my sense of obligation to the Hon'ble Mr. Butler personally, and to the Government of India generally, for the attitude they have adopted towards this Bill. The attitude is no doubt cautious but it is not unfriendly, and it certainly goes as far as I had ventured to expect—I had not expected that it would go further than that. The second reason why I wish to say a few words before this debate is brought to a close is that I want to clear certain misconceptions to which expression has been given to-day, about some of the provisions of the Bill, as also about my object in bringing the Bill forward. Sir, as I pointed out in the course of the remarks with which I asked for leave to introduce this Bill, if there is one fact established more clearly than another in the history of primary education, it is this, that, without compulsion, there can be no universal diffusion of education. You may shake your heads—anybody can shake his head—and say that the time for compulsion has not come; that we shall try the experiment on a voluntary basis; that we shall wait for some time; that we shall achieve here what nobody else has achieved elsewhere. Anybody may say this, but, as sure as we are here, as sure as we are discussing this question in this Council to-day, I say that everybody will in the end recognise that without compulsion it is impossible to secure the universal diffusion of education throughout the country. That being so, the only effective and proper course is to suggest that the Government should introduce compulsion. And if the Government of India had not been beset with its peculiar difficulties, I should have urged it to take up this question and introduce compulsion on its own account. But, as I have already observed, there are several considerations which render such a course difficult, if not impossible. And since that cannot be, I am content to proceed on other lines and to try a measure, such as I have brought

forward to-day. Sir, my Hon'ble friend Mr. Dadabhoj says that District Officers hold a very strong position on District Boards, and therefore, if this Bill is allowed to become law, District Officers, who may find no difficulty in getting the sanction of the Local Government, may use their position on the Boards to introduce compulsion. If this really happens, I say at once that I shall rejoice, because it will really mean that the Government will be accepting its own responsibility and introducing compulsion. I do want the Government to introduce compulsion if only it will do so ; but as the Government will not do it, we have got to see what else we can do, and that is why I want this Bill.

Sir, as far as I have been able to gather from to-day's discussion, hardship is apprehended in regard to three matters in carrying out the provisions of this Bill. The first is that District Boards, which are largely under official influence, might introduce compulsion, though the people may not be prepared for it. But I have already pointed out that the Government of India will first of all lay down the standard which must be satisfied by any local body before it introduces the principle of compulsion. I myself have suggested a limit of 33 per cent., but as the matter has been left to the Government of India, I think, if ever this Bill becomes law, that they are likely to adopt a higher limit than 33 per cent. of the school-going population being at school. And a limit of even 33 per cent., not only now but for several years to come, will not be satisfied by any District Board. It will no doubt be satisfied by several Municipalities, but that is another matter. Therefore I do not think that the fear expressed about hasty action by District Boards is well-founded. If after the country has been familiarised with the idea of compulsion for some time, District Boards also follow in the wake of Municipalities, I do not think that there would be any reason to regret such a development. Then, Sir, a great deal has been said about the hardship which may be caused by empowering these bodies to levy a special education cess. My friends who have spoken have ignored the fact that the cess, when levied, is to be levied by the local

bodies, and that it will require the sanction of the Local Government before it is levied. Those who say that the local bodies might consist of idealists and might be hasty in their action stand on a different footing from those who object to any special cess at all. To the former, I think it is a sufficient answer to point out that there is the Local Government to check idealism if there is any tendency in that direction. But there are those who object to any cess at all, and they have strongly urged to-day that it would be a calamity, a disaster, if any cess is ever levied in order that primary education might be made compulsory. Sir, I am unable to accept this opinion. On the other hand, I feel strongly that, if primary education is ever to be compulsory, local bodies will have to bear a fairly large share of the burden which it will impose. This is the case in all countries where the system of compulsory education prevails; and those friends of mine who object to the levy of a cess might as well object to compulsory education and be done with it. I admire, Sir, my Hon'ble friend Mr. Dadabhoy's candour and consistency. Mr. Dadabhoy is against the levy of a local cess which may have to be imposed in order that the children of poor people may be educated. Mr. Dadabhoy the other day proposed that the excise-duty on cotton goods should be done away with, not on the ground that its burden falls on the consumers who are the poorest of the poor, but because the amount, if added to the profits of the mill industry, will mean a better return for the mill-owners. Mr. Dadabhoy also wants unrestricted hours for factory labour, for that means better dividends for capitalists. He is consistent all through; but his consistency need not appeal to this Council; and I think an attitude like his will hardly commend itself to those who wish well to the masses of the people. Sir, my fear is that, if this Bill ever becomes law, our financial difficulties will then only begin. It is not the cess that will constitute the real difficulty; it is the share that will have to be borne by the Government. The bulk of the money has to be found by the Finance Department of the Government of India, and I fear in the Hon'ble Sir Guy Fleetwood Wilson (I am sorry he is not in his place—I should have

liked to say this in his presence) we shall probably find a dragon in the path. However, we shall have to agitate in this matter as in other matters, and I think an important lever has now been put into our hands by the Government by the creation of the new Education Department. Surely the Education Member must have something to do, and if he is to do anything, they must give him money to spend. I think that that will be our lever, and if we use the lever properly, the Government will find the money we want in the end. There is no reason why we should not entertain this hope. That it is what every civilized Government is doing for its own people, and that is what we are entitled to expect from our Government. The third fear expressed is about extending compulsion to girls at the present stage. Sir, I have already expressly stated that the intention is that the education of girls should for the present continue on a voluntary basis, though I certainly hope that before long the necessity of putting that education on the same footing as that of boys will be recognized, and the Bill only takes powers for that time when it comes. Remember that Baroda has compulsion even to-day for girls as well as boys. My Hon'ble friend Sir Sassoon David says that the time for compulsion has not yet come. Will he tell us when the time for compulsion arrives? Will he tell us how and why it has arrived in Baroda and not in British territory? Will he tell us how it has arrived in Ceylon and not in British territory? Will he tell us why, when the Philippino Municipalities have introduced compulsion, our own Municipalities should not? Of course, if you merely assert that the time has not arrived and stop there, it is not possible to argue with you. The Hon'ble Mr. Butler declines to accept my analogies and says that the state of things in this country is different to what it is elsewhere; and as regards Baroda, he says that it is governed autocratically and that makes a great difference. Western countries will not do, because they are governed democratically! Baroda will not do, because it is governed autocratically! I suppose the Hon'ble Member will not be satisfied unless I produce the analogy of a country, governed bureaucratically; and as there is no other country

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governed as India is, he is safe in insisting on such an analogy, and I must say I give it up. Sir, I will now address only two words in conclusion—one to the Government and the other to my non-official colleagues, and then resume my seat. To the Government I will merely put this question: Are you content to lag behind Baroda? Every day that passes, while Baroda has a system of compulsory education, and we have not—every day that passes like that, material is produced which will go to build up a judgment against you; and I am quite sure the conscience of the Government will, before long, be roused to this question. You may say what you like in defence of the existing situation; but you are bound to realize that you cannot lag behind Baroda, and I am convinced that the question of compulsion is for us now only a question of time. To my non-official colleagues I will say this: if we are not prepared to bear a cess for educating the children of the mass of our own people, if we are not prepared to make sacrifices for so great an object, if we expect the money to drop from somewhere—and remember, even if the Government raise it by additional taxation, after all it is we who shall pay it—we may as well cease talking about improving the lot of the mass of the people. Sir, if we want our country to advance, there is only one way, and that is that the mass of the people in this country must be raised to a higher level. This can only be achieved by the spread of education, which in its turn requires a large expenditure of money. And a reasonable part of this money must be raised locally, as is being done in other countries, or else we may leave the matter well alone. Sir, I do not wish to say anything more. I once again beg to express my obligations to the Hon'ble Mr. Butler and to the Government for the attitude they have adopted towards this Bill, and I am also most grateful to those Hon'ble Members who have accorded this measure their cordial support.

My Lord, I will now say a few words by way of reply to the observations which have been made by several Members on this resolution. At the outset, I would express my thanks to the Hon'ble the Home Member for



the assurance that he gave at the end of his speech that the Government would consider carefully the proposals laid by me before the Council to-day. I wish I could feel the same degree of satisfaction in regard to certain other parts of his speech, notably in regard to what he said about a Commission going up and down the country, inviting suggestions from all and sundry as to what should be done by Government in this matter. I must also say that I was somewhat surprised to hear that the suggestions which I have placed before the Council appeared to be altogether new to the Hon'ble Member. My Lord, when I suggested the appointment of a Commission I naturally also meant that the Government should take some interest in the matter; and if they took some interest in it, they would not start a Commission with a mere blank sheet of paper before asking it to go up and down the country inviting suggestions. The Government would then start the Commission, as is invariably done in such cases, with definite instructions, and definite questions would then be framed on which opinions would be invited from the public. As regards the statement of the Hon'ble Member that my suggestions were new, it only emphasizes what I have been insisting on in the Council for several years, namely, that education should be made over to a separate Member of this Council. Education is one of twenty other Departments with which the Hon'ble Member has to deal, and it is not to be expected that he will pursue educational matters with the same diligence and the same watchfulness with which they are pursued in other countries, notably in America, where they try to follow what is being done throughout the world every year in regard to education. If things had stood where they were left by the Hon'ble Sir Harvey Adamson, I should have thought that Government had adopted towards my resolution an attitude which was, on the whole, not unfriendly. But the remarks made by the Hon'ble Sir H. Stuart appear to me to be uncompromisingly hostile. I speak subject to correction because the Hon'ble Member had quite finished his Binomial Theorem when the bell rang and the time allowed for the examination was over. I can therefore confine myself only to what he actually said, and that

portion did not sound as at all friendly to my motion. I must notice three observations that he made. The first was in connection with my humble self. I see that the Hon'ble Member has been studying some of my past utterances. That is a matter from which I should perhaps derive some satisfaction. I must say, however, that he has not been reading my speeches correctly. He has no justification for saying that I have now taken up a position which is inconsistent with the position I had taken up before. It is true that three years ago I urged that Government should begin in this matter by making primary education free, and then proceed to make it compulsory. The aim always has been to have it free and compulsory. Three years ago I urged the abolition of fees first because Government had then plenty of money, with which they hardly knew what to do. As Government was then inclined to be favourable to that idea—and as to that I have only to refer to the Government Resolution issued at that time to make clear what their attitude was in the matter—I thought that was the line of least resistance. But throughout my aim has been to work steadily towards compulsion. The financial position, however, has changed. When new taxes have just been added, I cannot very well suggest to this Council that primary education should be made free straight off. I therefore have changed my track a bit, and, instead of beginning with the abolition of fees, I ask for the introduction of the principle of compulsion, which has always been an integral part of my scheme. I do not see that there is any inconsistency in that. If the Government abolish fees to-day, no one will rejoice more than I. There was another observation made by the Hon'ble Member which was slightly more serious. He said that I had expressed myself in a manner that was ungenerous towards Sir Arundel Arundel about three years ago in this Council. Now, my Lord, a reference to the debates of that time will shew that this description of what I then said is not justified. What happened was this:—In March 1906, when the Budget Statement was under discussion I urged that primary education should be made free. There was a large surplus, in fact, as I have

said, Government did not know what to do with their money. Sir Arundel Arundel, who was then the Home Member and therefore in charge of education, in his reply described my suggestion as a large order. He no doubt expressed the same kind of sympathy with my object that the Finance Member lavished on us while he was putting on us new taxes. He said the object was very good and the Government would keep it steadily in view as a distant peak which some day they might be able to reach, but for the present they had to crawl along the plain. Within six months, however, Government issued a Resolution practically recommending free education to Local Governments. It was not a circular letter merely asking what Local Governments thought. It was more; the whole tone of it shows that it was practically a recommendation that was made. Of course they asked as a matter of courtesy, what the Local Governments thought of the matter but the whole document reads as if the Government of India had made up their minds on the subject. The next year's Financial Statement contained a remark which was quoted by the Hon'ble Mr. Dadabhoy to the effect that if the Secretary of State's orders were received in the course of the year, primary education would be made free and funds would be made available. Therefore, from the position which Sir A. Arundel took in March to the position in November there was a tremendous advance. I noted that fact in March following and I used it as an argument that education should be in charge of a separate Member who would take a special interest in it, and it should not be one of 20 other Departments over which the Home Member presided. I think the present system under which Education has to rub shoulders with Jails, Police and other Departments in charge of the Home Member, is one that is distinctly prejudicial to the interests of Education. The third point that I must notice in Sir H. Stuart's remarks is about his calculations as to the cost of my scheme. My Lord, there is a saying that the worst enemy of the good is the best. I proposed some humble advance; the Hon'ble Member straightway wants us to go to the farthest point possible and then frightens the Council by calculations based on that. He may as well have said, 'if

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education is to be free why not adopt the system that prevails in America ? Then the cost will be 30 or even 40 crores. If you want to make a proposal look, I won't say, ridiculous, but I will say queer in the eyes of people, then I have no objection to that method. But I should not have expected that from one with the sympathies which Sir H. Stuart is known to have in this matter.

My Lord, I now come to what fell from the Hon'ble Mr. Orange in a speech to which we listened with great pleasure and sincere admiration. I have no quarrel with his position : I know his heart is practically with us in this matter, but he has to be practical and to cut his coat according to his cloth. He has to consider his resources and is strictly limited by them. One friendly warning he gave me which I am prepared to take in the spirit in which I am inclined to think it was offered, namely, that I should not complicate a consideration of this question by a reference to extraneous questions, such as railway finance, taxation of jute, etc. Now I can assure the Hon'ble Member that I did not introduce those matters in any wanton spirit. As a matter of fact unless you show that there are resources, the first difficulty that is pressed upon you is this. It is all very well to suggest such schemes, but where is the money to come from ? If however you suggest measures for finding the required money, you are straightway told that you are introducing extraneous matters and interfering with vested interests. There was one point in the Hon'ble Mr. Orange's speech in regard to which I throw the main responsibility on Government. The Hon'ble Member said that the great difficulty was about the provision of sufficient accommodation by local bodies. That is true. He quoted from a report of the Government of Bombay which said that 100,000 children were seeking admission but had no accommodation. But why is this so ? Why have not local bodies been required to provide accommodation ? I quoted this morning one of the recommendations of the Commission appointed in Lord Ripon's time. The Commission had distinctly recommended that legislation should be resorted to in order to promote the extension of primary

education; by that the Commission means that powers should be taken by Government to require local bodies to provide accommodation. That was 25 years ago, but the recommendation has been allowed to remain a dead letter. No action has so far been taken on it and now we are confronted with this difficulty. Certain objections were raised to day by the Hon'ble Mr. Chitnavis and the Hon'ble Mr. Majid to the principle of compulsion. They both thought compulsion was undesirable because if all children were sent to school it would be difficult to get labour. In answer to that I respectfully recommend to them a perusal of the debates in the House of Commons, when the Education Act of 1870 was passed; they will find them in the volumes of Hansard. Such objections have always been urged, but as I said this morning the mass of people do not live in order to supply labour to those who wish to prosper on it. I think it is the elementary right of every child that it should receive at least the rudiments of education. Mr. Majid referred to the religious difficulty; as regards that I am in sympathy with him. That is a matter for the Commission to consider, if one is appointed. Nothing of course should be done which would go against the religious prejudices of any community. As regards special taxation, well, I do not share the fears expressed. If Government takes up this matter in the spirit in which I should like them to do it, I do not think there would be any necessity for special taxation. I do not think we should accept Sir H. Stuart's calculations. I do not really think that the cost will be more than 4 or 5 crores, even if education is provided for the whole of the male population; and the burden that would fall upon the State would not be very heavy. As regards the children of poorer classes becoming gentlemen, if they are educated, that is an argument which I had better leave alone. My Lord, I think the whole discussion has established two things: first, the necessity for an inquiry has been clearly established. There is the point to which the Hon'ble Mr. Orange has referred, namely, requiring local bodies to provide accommodation. The Hon'ble Mr. Quin has told the Council of the opposition of villagers to education, and other members have expressed other views..

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Even the official members are not agreed in this matter. Therefore, I think, the necessity for an inquiry is clearly established. I may remind the Council that when the Commission of 1882 was appointed, 25 years had elapsed since the educational policy had been laid down by the Despatch of 1854, and that lapse of time was considered sufficient to justify an inquiry. Twenty-five years have again elapsed since then, and therefore, I think the time has come when Government should direct a fresh inquiry into this question. If the Government will go so far as to say they will make an inquiry into the state of primary education—how far the policy recommended by the Commission of 1882 has been carried out and what new measures it will be desirable to take—that will substantially meet the requirements of the situation.

My Lord, the second point that I think has been established, is the absolute necessity of strengthening the position of Education among the Departments of the Government of India. Sir H. Stuart quoted from my evidence before the Decentralization Commission and referred to a superficial inconsistency. He says I advocate to-day that Education should be made a divided head instead of a Provincial head, but that before the Decentralization Commission I had said there should be no divided heads. That is true on the surface, but that is not fair; for you must take my scheme submitted to the Decentralization Commission as a whole. If you do so, then you will find that there need be no divided heads, for I have advocated a large measure of financial independence of Local Government and under that scheme Local Governments will be able to find the money. But as long as the present excessive centralization continues, the Government of India must take the responsibility of finding money upon themselves so that the money should be forthcoming. If the Government of India become directly responsible for the spread of Education in the country, then I am quite sure that more money will be spent. Under existing arrangements, if the Government of India are able to spare any money for education, they make small grants spasmodically to

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Local Governments for the purpose. What is needed however is a large programme constantly kept in view and steadily carried out, and this can only be secured if education is a direct concern of the Government of India.

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*[On the 18th March 1912, Mr. Gokhale, in moving that the Bill to make better provision for the extension of elementary education be referred to a Select Committee consisting of the Hon'ble Mr. Syed Ali Imam, the Hon'ble Sir Harcourt Butler, the Hon'ble Mr. Mazhar-ul-Haque, the Hon'ble Nawab Saiyid Muhammad, the Hon'ble Babu Bhupendranath Basu, the Hon'ble Pandit Madan Mohan Malaviya, the Hon'ble Mr. Gates, the Hon'ble Sir James Meston, the Hon'ble Rao Bahadur R. N. Mudholkar, the Hon'ble Mr. Sharp, the Hon'ble Mr. Lyon, the Hon'ble Mr. Carr, the Hon'ble Mr. Arthur, the Hon'ble Khan Bahadur Mian Muhammed Shafi and the mover, spoke as follows:—]*

My Lord, it is two years to-day since the Council was invited in its very first session after the introduction of the recent reforms to consider a recommendation to the Governor-General in Council that a beginning should now be made in the direction of making elementary education free and compulsory throughout the country, and that a mixed Commission of officials and non-officials should be appointed to frame definite proposals. After a lengthy debate, the motion was by leave withdrawn, but the principal suggestions formulated on the occasion were subsequently embodied in a Bill which was introduced in this Council about this time last year. A year has since elapsed, and during the interval, all sides—the Government and the public, officials and non-officials, members of all classes and creeds—have had time to examine the provisions of the Bill. I think the promoters of the measure are entitled to regard with the utmost satisfaction the reception which the Bill has met with in the country; for, my Lord, it is no exaggeration to say that no measure of our time has received such weighty, such enthusiastic, such overwhelming public support as the Bill now before the Council. My Lord, it has been made abundantly clear in the course of



the discussions that have taken place during the year that most men of light and leading in the country—men distinguished in every walk of life, in learning, in professions, in business, in public affairs, in patriotic or philanthropic endeavour—are on the side of the Bill. The Indian National Congress, the most representative body of educated opinion in India, has strongly supported the measure, and Provincial Conferences held in the different Provinces have also done the same. The Moslem League, whose claim to speak in the name of the great community which it represents is not disputed even by officials, accorded only a fortnight ago its cordial support to the Bill; and most of its branches throughout the country have also expressed their approval. Most of the local bodies consulted by Provincial Governments, as also the Senate of the Madras University, which was the only University Senate consulted, have expressed themselves in favour of the measure. Public meetings held in nearly every important town throughout the country have adopted resolutions in its support, and numerous special meetings of backward communities, several caste conferences and some missionary organisations have done the same. Then, my Lord, the Indian Press in the country with hardly an exception has with striking unanimity ranged itself on the side of the Bill, and what is even more significant, nearly half the Anglo-Indian Press, the *Indian Daily News* in Calcutta, the *Times of India* in Bombay, and the *Madras Mail* and the *Madras Times* in Madras, have also extended to it their valuable support. Last, my Lord, but not least, I must mention the important deputation—headed by no less a man than Lord Courtney—that waited last year on the Secretary of State and presented to him a memorial signed among others by some very distinguished men in England in support of this Bill. I venture to think that the ultimate success of a measure which has received such widespread, such influential, public support, is practically assured. The main opposition to this Bill has come from official quarters with which I will deal later. Here and there a few non-officials have also struck a note of dissent. But, my Lord, considering the far-reaching character of the issues involved in the measure, and considering also

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how the human mind is constituted, it is not to be wondered at that there has been this slight dissent; the wonder rather is that there should be this vast volume of public opinion in support of the measure. The non-official critics of the Bill may roughly be divided into three classes. To the first class belong those very few men—so few indeed that they may be counted on one's fingers—who have rendered distinguished services in the past either to the country as a whole or to their own community, whose claim to be heard with respect on such questions is undisputed, and who, though not against free and compulsory education in the abstract, consider that the introduction of such a system in India at the present stage of the country's progress, even with such safeguards as are provided in the Bill, is not desirable. My Lord, these elders, whose minds have been cast in the mould of a previous generation, have not the elasticity to advance with the advancing requirements of the country, and we have got to face their disapproval of the present Bill with reluctance and regret. In the wake of these few elders follow a number of younger men, who unquestionably accept their lead in all matters, and who therefore withhold their support for the present Bill. The second class consists of those who cannot understand either the necessity of the value of mass education, to whom the dignity of man is an incomprehensible idea, and who regard the poorer classes of the country as made solely to serve those who are above them. My Lord, these men hold these views, because they know no better, but their opposition to this Bill is perfectly intelligible. In the third class come those who are against this bill because the bulk of officials are understood to be against it. They are against this Bill either because the officials have so much to give or else because they are so constituted that official favour is to them as the breath of their nostrils and an official frown is a heavy misfortune, and because they think nothing of bartering the birthright of our common humanity for something even less substantial than the proverbial mess of pottage. These, my Lord, are the three classes that are against this Bill. Taking all the non-official opponents of the Bill together, I think that their number does not

exceed five per cent, at the outside of those who have expressed any opinion on the Bill.

My Lord, special weight necessarily attaches first to the opinions of Local Governments, and next to those of local bodies in regard to this Bill. Turning first to the local bodies, I regret that the opinions of all such bodies were not either ascertained or have not been forwarded to the Government of India. In view of the fact that, if the Bill became law, the initiative in regard to its working would have to come from local bodies, it was of the utmost importance to know what the local bodies had to say of the Bill. The Government of Madras is the only Government that has deemed it to be its duty to invite the opinions of all Municipalities and District Boards in the Province, and some of the District Boards have in their turn invited the opinions of the Taluka Boards under them. The opinions thus elicited are appended to the letter of the Madras Government, and they afford overwhelming and incontestable evidence of the local bodies in Madras being strongly in favour of the Bill and being ready to avail themselves of its provisions if enacted into law. Of 61 Municipalities whose opinions have been recorded, 55 are in favour of the Bill. Of 24 District Boards, 20 are in favour. In addition, the opinions of 39 Taluka Boards have been ascertained, and they are one and all in favour of the Bill. The next Government in whose papers we find mention of a large number of local bodies in this connection is the Government of the Punjab, unfortunately educationally the most backward Province in the whole country. Here we find that 60 Municipalities are mentioned by name, and of those 32 are in favour and 28 against. In addition, the Deputy Commissioner of Umballa wrote (the local bodies in Umballa are not included among these 60): 'The consensus of opinion appears to be strongly in favour of the principle of compulsion; the only Municipal Committee which does not favour compulsion was the Municipal Committee of Jagadhri.' The Deputy Commissioner of Hissar wrote: 'All the Municipalities of this District, as well as the District Board, have expressed themselves in favour of the Bill.' The Deputy Commissioner of Feroze-

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pore wrote: 'I have consulted the District Board and the Municipalities in this district; they all consider the Bill fair, and are in favour of its being passed into law.' Nineteen District Boards are mentioned in the papers, of whom 6 are in favour of compulsion and 13 against. Considering the extremely backward condition of primary education in rural Punjab, this is not surprising. Turning next to Bengal, we find mention made in the reports of local officers of about 25 Municipalities, of whom 19 are in favour and 6 against. Also there is mention of two District Boards, of whom one is in favour and one against. There is no mention of the remaining local bodies in the Bengal papers. In Eastern Bengal and Assam papers, we find 4 Municipalities mentioned, of whom 3 are in favour: also 6 District Boards, of whom 5 are in favour. For Burma the opinions of 16 Municipalities are given, of whom 9 are in favour. The letter of the Bombay Government mentions no local body, but the opinion of the Bombay Corporation was circulated among the members here only two days ago. However, in the report of the Commissioner of the Central Division which accompanies the letter, there is mention made of 6 Municipalities in that Division, all in favour. And we know for a fact that most of the Municipalities and a great many of the District Boards in Bombay are in favour of this Bill. In the papers belonging to the United Provinces, only 2 small Municipalities are mentioned, both in favour. Here also we know from the newspapers that most of the Municipalities and a large number of the District Boards are in favour of this Bill. The Central Provinces papers mention only two local bodies—the Municipality of Nagpur and District Board of Nagpur—of both which bodies my friend behind me is President. Both these bodies are in favour of the Bill. There are besides memoranda from five individual members of different local bodies, of whom four are in favour.

Turning to what are known as the Presidency Municipalities, namely, Calcutta, Bombay, Madras and Rangoon, we find that Calcutta and Madras are strongly in favour of the Bill. Rangoon declines to express an

opinion on the ground that it does not want to be saddled with any expenditure connected with elementary education. The Municipality of Bombay, while in favour of free and compulsory education, and while also in favour of the ultimate introduction of compulsory education throughout the country, is unable to approve the special method which is advocated in the Bill, namely, that the initiative should be left to local bodies. But, my Lord, those who know the singular position which the Bombay Municipal Corporation occupies in regard to expenditure on elementary education will at once understand why that body has taken up that attitude. Under an agreement, which is now embodied in an Act of the local legislature, the Bombay Corporation has undertaken to bear the entire cost of primary education within municipal limits in Bombay on condition of being relieved of police charges, the only qualification being that if ever the Government introduces compulsory education in the country and requires the Bombay Corporation to introduce compulsion within its area, the Corporation should receive financial assistance from the Government similar to what other local bodies would receive. The plain financial interest of the Bombay Corporation therefore is not in leaving the initiative to local bodies but in the initiative coming from the Government, and it is no surprise that the Corporation of Bombay is unable to approve of a method which leaves the initiative to local bodies. Before passing from this point, I would respectfully warn the Hon'ble Member in charge of Education against leaning on the opinion of the Bombay Corporation for support, for that Corporation, in addition to being in favour of the principle of free and compulsory education, wants the cost of it to come out of Imperial Funds!

Turning next to the opinions of Local Governments, I would like first of all to present to the Council a brief analysis of the official opinions that have been sent up by the various Local Governments. Among these papers there are altogether 234 official opinions recorded; of them 90 are in favour of the Bill. Sixty-five of the 234 officials are Indian officials, and of them 39 support the Bill, some

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of them being very high officials, such as High Court Judges, District Magistrates, District Judges, and so forth. Of the English officials, there are 169 opinions recorded, of which 51 are in favour—a minority no doubt, but still a very respectable minority.

Before proceeding further, I think I had better explain what I mean by a person being in favour of the principle of the Bill so as to prevent misapprehension of the language which I am employing. My Lord, the principle of the Bill is to introduce compulsion at once in selected areas. Not all over the country, but in selected areas; not at some remote time, but at once. To make a beginning at once in selected areas, the initiative being left to local bodies—that is the fundamental idea of the Bill. All else is a matter of detail. Some of the details are important, others unimportant. The question of a local education rate, the question whether education is to be absolutely free, or free for poor people only, the proportion of cost which the Government is to bear—all these are important matters, but matters of detail capable of adjustment when the final settlement of the scheme takes place. Now, all those who are in favour of the fundamental part of the Bill, I claim to be in favour of the Bill for my present purpose; all those, on the other hand, who cannot assent to it, against the Bill. Now, in Madras, the opinions of no European officials are given, the only exception being that of two European High Court Judges, who are both in favour of the Bill. In Bombay, out of 19 European officials consulted, 8 are in favour, one of them being the Director of Public Instruction, and 2 being Inspectors of Schools for the Presidency proper (the 3rd Inspector, an Indian, being also in favour), 2 Commissioners of Divisions out of 3 in the Presidency proper, and 3 Collectors. In Bengal, out of 21 European officers consulted, 4 are in favour, all being District Magistrates. In Eastern Bengal and Assam, out of 21, 2 are in favour, both being District Magistrates. In the United Provinces out of 38 officers consulted, 6 are in favour, 1 of them being a High Court Judge, 1 a Commissioner, and 4 Collectors. In the Punjab, out of 38 European officers

consulted, no less than 20 are in favour of the Bill—the largest proportion of European officers in favour of the Bill thus, strangely enough, coming from the Punjab. Among these 20, there is 1 Financial Commissioner, 1 Commissioner, 9 Deputy Commissioners, 5 Divisional Judges, 3 District Judges and 1 Sub-Divisional Officer. In the Central Provinces, only 4 official opinions are given, out of which 2 are in favour, both being Commissioners of Divisions. On the whole, my Lord, I claim that a very respectable minority of European officials is in favour of the measure. The officials who are opposed to this Bill may roughly be divided into three classes. First come a few Rip Van Winkles who appear to be sublimely unconscious as to what is going on not only in the rest of the world, but in India itself. To this class also belong a few cynics who do not understand the value of mass education, and who naively ask what good mass education has done anywhere. I was astonished to find among this class an Inspector of Schools in Madras. The very least that a kind Government can do for him is to transfer him to some more congenial Department, say, the Department of Forests. To the second class belong those who see in a wide diffusion of elementary education a real danger to British rule; also those who are against mass education, because they are against all popular progress, and who imagine in their shortsightedness that every step gained by the people is one lost by them. In the third class—and I am glad to say the bulk of the official opinions recorded belong to this class—are those who accept the necessity and the importance of mass education, who accept the policy which has been repeatedly laid down by the Government of India during a period of more than 60 years, but who do not recognise the necessity of compulsion at the present moment. They think that a great part of the educational field has to be covered on a voluntary basis, that compulsion would be inexpedient, and would lead to hardship, to discontent, and to danger. Some of them object to this measure on educational or on financial grounds. The outstanding feature of the official opposition to the Bill is however the fact that every Local Government that was consulted on this Bill has gone

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against the measure, and that makes it necessary that we should examine the opinions of Local Governments and the objections raised by them in some detail. The only Local Government that comes very near to supporting the principle of the Bill is the Government of Madras. Not that that Government does not regard the Bill as objectionable or argue against it. What distinguishes it, however, from the other Local Governments is that it does not ignore the strength of the case in favour of the Bill, and that it does not argue as though the heavens would fall if the Bill were passed into law. After urging several objections against the Bill the Madras Government says at the close of its letter that if the Government of India were disposed to accept this Bill, it would like it to be confined for the present to municipal areas only. The answer to that is that it would be entirely in the hands of the Government of India and the Local Governments to so confine it for the present. The Government of India could lay down such a proportion of school attendance to the total school-going population as a necessary preliminary test to be satisfied before compulsion is introduced, that thereby only Municipalities and not District Boards could for the present come under the Bill. Moreover, if any rural area wanted to try the measure, the Local Government could withhold its sanction. This opinion of the Madras Government, again, is the opinion of three members out of four. The fourth member, the late Mr. Krishnaswamy Iyer, one of the most brilliant men of our day, a man whose untimely death had made a gap in the ranks of public workers in the country, which it will take long to fill, has written a masterly minute of dissent, giving his whole-hearted support to the Bill and demolishing the objections urged by his colleagues against the measure. The next Local Government that comes, in a grudging manner and in spite of itself, to a conclusion not wholly dissimilar to that of the Madras Government is the Administration of the Central Provinces. After exhausting everything that can possibly be said against the Bill, that Government says in the end that if the Government of India wanted to try the Bill, it might be tried in a few selected municipal areas only. Only



it does not want a general Act of this Council for the whole country, but it would like an amendment to be undertaken of the various Provincial Municipal Acts for the purpose; and it would lay down a condition, that only those Municipalities should be allowed to introduce compulsion which are prepared to bear the whole cost of compulsion themselves! Now, my Lord, if the object we have in view can be attained by amending Provincial Local Self-Government Acts, I for one have no objection whatever. All I want is that local bodies should have the power to introduce compulsion, where a certain condition of things has been reached, under the control and with the assistance of Local Governments. But I do not understand why the Central Provinces Government should lay down that condition that local bodies, wanting to introduce compulsion, should bear the entire cost themselves. I can understand a Local Government saying that it cannot finance any scheme of compulsion out of its own resources. But I cannot understand why the Central Provinces Administration should try to impose such a condition unless it be to punish those Municipalities which show special keenness for education in their areas. I am quite sure that that was not the meaning of the Local Government, and therefore I must frankly say I do not understand why this condition has been laid down. The Government of Bengal sees no objection *per se* to the principle of compulsory elementary education, only it thinks that, considering the apathy of the people at the present moment, compulsion is not suitable. Moreover, it says, that if it is called upon to introduce compulsion in the near future, it will not be able to find the money out of Provincial revenues and that it would be forced to look to the Government of India for assistance. The Governments of Eastern Bengal and the Punjab oppose the Bill merely on general grounds, the letter of the Government of Eastern Bengal being almost perfunctory in its treatment of the subject. The letter of the United Provinces Government is a document that might have been written with some excuse 20 years ago. I cannot understand how a Provincial Government, at the beginning of the 20th century, can put

forth arguments such as are contained in the letter of the acting Lieutenant-Governor of the United Provinces. The Government of Burma opposes the Bill on grounds the very reverse of those on which other Local Governments oppose it. Other Local Governments oppose the Bill because there is not a sufficient advance made in the field of elementary education in their Provinces ; but the Government of Burma opposes the Bill because there is already a sufficiently large advance of elementary education in that Province! The last Government that I would mention in this connection is the Government of Bombay. My Lord, this Government is the strongest opponent of the Bill, and I feel bound to say—though it hurts my provincial pride to have to say so—that the very vehemence with which this Government argues the case against the Bill is calculated to defeat its own purpose, and that the terms of impatience in which its letter is couched, while not adding to the weight to the argument, only suggests a feeling of resentment that any non-official should have ventured to encroach on a province which it regards as an official monopoly. My Lord, it will be convenient to deal with the objections, which have been raised by the several Local Governments, all together. Before doing so, however, I think I should state briefly again to the Council the case for the Bill, so that members should see the grounds for and against the Bill side by side before them. My Lord, the policy of the Government of India in this matter, as I have already observed, is now a fixed one. The Government of India have accepted in the most solemn and explicit manner the responsibility for mass education in this country. The Educational Despatch of 1854, the Education Commission's Report of 1882, with the Resolution of the Government of India thereon, and the Resolution of Lord Curzon's Government of 1904, all speak with one voice on this point, namely, that the education of the masses is a sacred responsibility resting upon the Government of India. When we, however, come to consider the extent of the field which has so far been covered, I feel bound to say that the progress made is distinctly disappointing. Taking the figures for 1901, the beginning of this century, and that means after 50 years

of educational effort, the number of boys at school in this country was only about 32 lakhs, and the number of girls only a little over 5 lakhs. Taking only 10 per cent.—not 15 per cent. as they take in the West and as they do in official publications, even in India, taking only a modest 10 per cent.—as the proportion of the total population that should be at school, I find that in 1901 only about 27 per cent. of the boys and about  $4\frac{1}{2}$  per cent. of the girls that should have been at school were at school? During the last ten years, elementary education has no doubt been pushed on with special vigour and the rate of progress has been much faster. Even so, what is the position to-day? From a statement which was published by the Education Department the other day, I find that the number of boys at school has risen during these ten years from 32 lakhs to a little under 40 lakhs, and the number of girls from 5 lakhs to a little under 7 lakhs. Taking the new census figures of our population, this gives us for boys a proportion of 31 per cent. and for girls  $5\frac{3}{4}$  per cent. Taking the proportion of total school attendance to the total population of the country, we find that the percentage was only 1·6 ten years ago, and it is now no more than 1·9. My Lord, all the Local Governments have stated that we must adhere to the present voluntary basis for extending primary education, and the Bombay Government professes itself to be very well pleased with the rate at which it is moving in the matter. A small calculation will show how long it will take for every boy and every girl of school-going age to be at school at the present rate. I have stated just now that during the last ten years the number of boys at school has risen from 32 to 40 lakhs, or a total increase in ten years of  $7\frac{1}{2}$  lakhs, and the number of girls has risen from 5 to under 7 lakhs, or an increase of about  $1\frac{3}{4}$  lakhs. This gives us an annual increase for boys of 75,000 and for girls of 17,000. Now, assuming that there is no increase of population in future—absolutely no increase of population—an obviously impossible assumption—even then at the present rate a simple arithmetical calculation will show that 115 years will be required for every boy and 665 years for every girl of school-going age to be at school! Even in Bombay,

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where things are slightly more advanced, it will take at least 75 years for every boy of school-going age between 6 and 10 years of age to be at school. Well might Mr. Orange, the late Director-General of Education, who was in this Council two years ago, exclaim :—

If the number of boys at school continued to increase, even at the rate of increase that has taken place in the last five years, and there was no increase in population, several generations would still elapse before all the boys of school-going age were at school.

And well might my late lamented friend Mr. Krishnaswamy Iyer of Madras, after a similar examination of the figures for that Presidency, observe in terms of sorrow:—‘The voluntary method of persuasion must be condemned as a hopeless failure.’

My Lord, this then is the position. The Government of India are committed to a policy of mass education, and the rate at which we have been going for the last 60 years is hopelessly slow. Even at the accelerated pace of the last ten years, it will take enormously long periods for every boy and every girl to be at school. Moreover, this does not take into account the natural and necessary increases of population in the country. What then is to be done? Are we going to content ourselves with experiments of our own only, experiments which can only prolong the reign of ignorance in the country? My Lord, India must profit by the example and by the experience of other civilized countries. And other civilized countries have come to only one conclusion in this matter, and that is that the State must resort to compulsion in order to secure universal education for the people. Most of the Western civilized countries have accepted this, and I have already given to the Council, when introducing this Bill, statistics showing what progress they have made under a system of compulsory education, and how India compares with them. There are also the examples nearer India, of which I have spoken—examples of the Philippines, of Ceylon and of Baroda—which are of the utmost importance, and the mere assertion that their circumstances are different from those of British India cannot dispose of them. Of course no two cases can be exactly alike. But what

you must show is that their circumstances are so different that what has succeeded in their case will not succeed in ours. And till you show this, we are entitled to say that the experiment which has succeeded elsewhere should also be tried in India. I do not see what difference there is between the population of Ceylon and the population of the Southern Presidency or between the population of Baroda and the population of British Gujarat. Therefore, those who argue that these analogies will not do on the score that the circumstances are different, will have to establish the difference they speak of and not merely content themselves with the assertion that the cases are different. Moreover, I will mention to-day another instance—an instance which I was not able to mention last year because I had no definite information then on the subject—that of a most interesting experiment that has been recently tried with success in another Native State in India. It is a State in the Bombay Presidency and the experiment has been made under the very eye of the Bombay Government, not by the Chief, but by a British officer appointed by the Government as Administrator during the minority of the Chief—I refer to the State of Sangli. That State has a population of a little over 2 lakhs. Captain Burke, the Administrator who was at the head of the State for 6 or 7 years, found that the average school-attendance was very low in the State, being only about 2 per cent. of the population. At the end of 1907, he issued orders throughout the State making elementary education both free and compulsory under certain conditions. He, however, approached the problem from another standpoint. He laid down that at least 4 per cent. of the total population, that is, twice the percentage for British India, must be at school. He ordered schools to be opened in every village with a population of 400 and above, and his orders to the village officials were that where the attendance at school exceeded 4 per cent. there was to be no compulsion, but if it was lower than 4 per cent. compulsion was to be applied, not only in the case of boys but also in the case of girls! The age limits for boys were laid down to be between 7 and 12, and for girls between 7 and 10, and the responsibility was thrown on the

village officials to ensure at least a 4 per cent. attendance, the Education Department of the State inspecting the work with care and vigilance. And in less than three years, as a result of these orders, the number of children at school doubled itself. In 1907, only about 5,000 children in a population of little over 2 lakhs were at school; in 1910, 10,000 children were at school, the number of schools too had largely increased; but while these most gratifying results were being obtained, hardly any one outside the State knew anything about what was going on. Those who speak of the opposition which might be encountered from the mass of the people themselves if compulsion is introduced, those who urge that there might be trouble, might well take note of the fact that in this State of Sangli compulsion was introduced not in advanced but in the most backward areas, not by the Chief, but by the British officer, and the experiment has proved so successful and has been so quietly carried out that very few outside the State have even heard of it. I therefore contend that we, in British India, might also have recourse to compulsion with great advantage. I for one shall rejoice if the British Government of the country takes its courage into both hands and comes forward boldly to introduce compulsion throughout the country for both boys and girls—the whole field to be covered in a certain number of years. But since that cannot be, and if any one has any doubt in the matter that doubt will be dissipated by a reference to the official opinions received on the present Bill, the only alternative is for local bodies to be empowered to take the initiative, and introduce compulsion with the sanction and under the control of the Local Government. Local bodies, however, cannot take the initiative, unless there is legislation to empower them, and that is the reason why this Bill has been introduced. Whether this object is gained by enacting a special law for the whole country or by an amendment of the old Local Self-Government Acts of the different Provinces is a minor matter. The great thing is to make a beginning in introducing compulsion. Once a beginning is made, the public mind in the country will be rapidly familiarised with the idea of compulsion, and it will then not take more than 20 years at the outside to

have a system of universal education in the country in full operation. As apprehensions are entertained in official and other quarters as to how compulsion will be regarded by the people, it is necessary to proceed cautiously; hence the proposal that the experiment should first be tried in selected areas only. Again there is fairly general opinion among those who have given any thought to the subject that for compulsion to be successfully applied in British India, there should be among the people a fair spread of elementary education, so that they may be in a position to appreciate its benefits. For that reason our proposal is that no local body should take up the question of compulsion unless at least 33 per cent. of the school-going population within its area is already at school. And in the Bill the power to lay down this proportion or any other proportion is left to the Government of India, so that if they deem it necessary they might prescribe a higher proportion. Moreover, no local body under the Bill can introduce compulsion without obtaining the previous sanction of the Local Government. To begin with, compulsion is contemplated only for boys, though power is taken to extend it in due course, to girls; and I do hope that whenever it comes, it will be so extended to girls. The cost of the scheme is to be shared between local bodies and the Local Governments in a reasonable proportion, which, in my opinion, should be one-third for local bodies and two-thirds for Local Governments, the actual proportion, however, being laid down by the Government of India, and additional funds being placed by the Supreme Government at the disposal of Provincial Governments for meeting the Government share of the cost. The Bill proposes to exempt very poor people from the payment of fees as a matter of right, and in all cases local bodies, which are empowered to levy a special education rate, if necessary, will be at liberty to remit fees altogether. The responsibility for providing adequate school accommodation is thrown on local bodies, who will also have to arrange for a reasonable enforcement of compulsion. The curriculum must be approved by the Education Department of the Local Government, and finally, following the example of the compulsory acts of other countries, provision is made for

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absence from school for reasonable excuses and penalties provided for wilful absence without reasonable excuse.

This, my Lord, is the Bill, and this is the case for the Bill. I will now proceed to consider the more important objections which the different Local Governments have urged against this Bill, as also those that have been urged by some non-official critics. I will dismiss with very few words the objection that a spread of mass education in British India involves danger to British rule. My Lord, I do not believe that there would be any such danger. My own belief is that it is rather the other way, that there will be danger, not from the spread of education, but from the withholding of education. But, my Lord, even if there is a possible element of danger in the spread of education, it is the clear duty of the British Government to face that danger and to go on with a faithful discharge of their responsibility. I do not think that any sane Englishman will urge that the people of this country should pay the price of perpetual ignorance for even such advantages as the most enthusiastic supporter of British rule may claim for it. Leaving therefore that objection aside, there are seven objections to which I would like briefly to refer. The first objection is to compulsion itself. The second objection is urged on educational grounds. The third is on the score of the scheme. The fourth is on account of alleged financial inequality and injustice in which the scheme would result. These four are official objections. Then there are three non-official objections. The first is to the levy of a special educational rate; the second to the levy of fees from parents whose income is not below Rs. 10 a month; and the third is the Muhammadan objection that the provisions of the Bill may be used to compel Moslem children to learn non-Moslem languages. I will answer these objections briefly one by one. The principal argument of those who are against compulsion is that there is plenty of room yet for work on a voluntary basis; that schools are filled as soon as they are opened, thus showing that the need of the situation is more schools and not compulsion; and that in any case till persuasion is exhausted, it is not desirable to



go in for compulsion. Now, my Lord, this statement is not a complete statement of the case. It is quite true that in certain places, as soon as schools are opened, they are filled. But there is also ample official evidence to show that in many areas schools have had to be shut down because children would not come. We find a statement to this effect in the United Provinces official papers. Mr. Maynard of the Punjab, in a most thoughtful opinion recorded on the Bill, says:—‘It will very frequently be found that a perfectly genuine demand for a school on the part of a zealous minority does not guarantee an attendance after the school is provided, and it is occasionally necessary to close for this reason schools which have been opened on too sanguine a forecast.’ In Bengal and Eastern Bengal also several zamindars have complained that though they opened free schools on their estates, it was found difficult to get boys to attend them, because of the great apathy among the people. The real fact is that there are two factors, as Mr. Orange has stated in the last quinquennial report on education that cause the smallness of school attendance. One is undoubtedly the want of schools. But the other is the apathy of parents, even where schools exist. ‘The apathy of the populace,’ says Mr. Orange, ‘towards primary education is often mentioned and does undoubtedly operate as a cause which keeps school attendance low.’ He admits this, though he himself would like to push on education for the present on a voluntary basis only. Now, the remedy for this state of things must also be two-fold. First of all local bodies must be required to provide the necessary educational facilities for children that should be at school—school-houses, teachers, etc. That is one part of compulsion. Then they must be empowered to require parents to send their children to school—that would be the second part of compulsion. Now, my Lord, this Bill advocates both sides of this two-fold compulsion. It not merely requires parents in the areas where the Bill may be introduced to send their children to school, it also throws a definite responsibility on local bodies coming under the Bill to provide the necessary school accommodation and other facilities for the education of all the children within their

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area. Then it is said that compulsion would cause hardship, would cause discontent, and would prove dangerous. Well, the experience of other countries as also in our own does not justify this view; and in any case, even if there is some discontent, that has got to be faced in view of the great interests that are involved in this matter. It is argued by some that the poorer people will be exposed to the exactions of a low-paid agency if compulsion is introduced. I think the fears on this subject are absurdly exaggerated. But if the people are so weak as to succumb easily to such exactions, the only way in which they can be strengthened is by spreading education among them and by enabling them to take better care of themselves.

Those who object to the Bill on educational grounds urge that it is undesirable to extend the kind of education that is at present given in primary schools, for it is worse than useless. Most of the teachers are not trained teachers, the school buildings are unfit for holding classes in, and therefore until these defects are moved, until there is a sufficient supply of trained teachers forthcoming, until ample decent school accommodation is available, the question of extension should wait. My Lord, those who raise these objections ignore what is the primary purpose of mass education. The primary purpose of mass education is to banish illiteracy from the land. The quality of education is a matter of importance that comes only after illiteracy has been banished. Now, the primary purpose being to banish illiteracy, teachers who could teach a simple curriculum of the 3 R's, and houses hired by or voluntarily placed by owners at the disposal of school authorities, must do for the present. In Japan, when they began compulsion, they held classes in the verandahs of private houses. I think what was not beneath the dignity of Japan need not be beneath the dignity of this country. Of course I do not depreciate the value and importance of trained teachers and decent school-houses; but I say that we cannot wait till all these defects are first put right before taking up the question of banishing illiteracy from the land. Let that work be resolutely

taken in hand, and as we go along let us try to secure for the country better teachers and better school-houses.

The third objection to the Bill is on the score of cost. My Lord, a lot of wild criticism has been indulged in by the opponents of the Bill on this point. Nobody denies that the cost of a compulsory scheme is bound to be large. But all sorts of fantastic estimates have been brought forward to discredit the scheme in the eyes of those who can be misled by such tactics. I think the calculation of cost is a fairly simple one. The Bill is intended to apply in the first instance to boys only, and we will therefore for the present take the cost for boys. Taking 10 per cent. of the total male population as the number of boys between the ages of 6 and 10, and taking the male population at about 125 millions, according to the latest census, we find that the number of boys that should be at school is about 12½ millions. Of these, about 4 millions are already at school. That leaves about 8½ millions to be brought to school. Now, Mr. Orange, the Director-General of Education, in a note which he prepared for the Government, took the average cost of education per boy at Rs. 5, the present average cost is less than Rs. 4; the highest is in Bombay where it is Rs. 6-8 and everywhere else it is less than Rs. 4. These figures are given in the Quinquennial Report of Mr. Orange. Mr. Orange takes Rs. 5 per head, and I am willing to take that figure. Now, Rs. 5 per head, for 8½ millions of boys amounts to about 4½ crores per year, or, say, 4½ crores per year. I propose that this cost should be divided between the Government and the local bodies in the proportion of two-thirds and one-third; that is, the Government should find 3 crores and local bodies the remaining 1½ crores. This again will be worked up to in ten years. If we have to find this money in ten years, it means a continuous increase of about 30 lakhs in our annual expenditure on primary education. Allowing another crore for pushing on education on a voluntary basis for girls, to be reached in ten years, means another 10 lakhs a year, or a continuous annual addition of 40 lakhs of rupees in all. Now, I do not think that this is too much for the Government to find. My Lord, I have given

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some attention to the question of our finance for some years, and I do not think that an addition of 40 lakhs. every year is really beyond the power of the Government of India. Moreover, even if it be proposed that the whole of these 4 crores should be raised straight off, that all boys should be brought to school compulsorily at once, and that a crore of rupees more should be spent on the education of girls—assuming that these four crores have to be found straight off, an addition of 2 per cent. to our customs will solve the problem. Our customs-revenue is about ten crores this year with the duty standing at 5 per cent.; about 2 per cent. more will bring us the required 4 crores. Now, there is no special merit in having our customs-duty at 5 per cent., and they might as well stand at 7 per cent. without causing any serious hardship to anybody. There was a time when they stood at 10 per cent. in this country, and at the present moment they are at 8 per cent. in Egypt. I do not think therefore that there are really any very insuperable difficulties in the way of the scheme on the score of cost.

Then, it is said that a scheme like this, a permissive scheme, which allows areas to come under compulsion one by one, is bound to result in serious financial injustice and inequality as regards the assistance received from Government by different local areas. Now, my Lord, I feel bound to say that this is one of the flimsiest arguments that have been urged against the scheme which we are considering. If anybody proposed as a permanent arrangement that elementary education in certain parts of the country should be on a compulsory basis, and in certain others on a voluntary basis, and if the areas that were on a compulsory basis got more from Government than the areas that were on a voluntary basis, there would be some force in the contention that different areas were being differently treated. But the arrangement that I propose is clearly transitional; in the end every part of the country is to rest on a compulsory basis and would share equally in the allotment made by Government. In a transitional stage, provided the same terms are equally open to all, I do not see where the injustice or inequality comes in. If

a local body feels aggrieved that some other local body gets more than itself from Government, the remedy is in its own hands. All that it has got to do is to go in for compulsion itself. Those who object to the proposed scheme on the score that it would lead to financial inequality and injustice might object at once to the principle of introducing compulsion gradually, area by area. For how are we to proceed area by area, unless those areas that introduce compulsion first get also at the same time larger assistance from the Government?

Moreover, is there absolute equality even at present in all matters? Even now, on a voluntary basis, the Government, in many parts of the country, bears about one-third of the cost of primary education, with the result that those areas that spend more get more from the Government, and those that spend less get less. Is that equal?

Again, take the question of sanitary grants. Under the existing arrangements, those local bodies that go in for the construction of sanitary projects get a certain grant from the Government. Now, if the local bodies that do not take in hand such projects were to complain of injustice, because others that do are assisted by Government, their complaint would be perfectly ridiculous, and yet it is the same kind of complaint that is urged against the scheme of the Bill. I do not think that any weight need really be attached to the objection on the score of financial injustice and inequality when it is remembered that such inequality can only be a passing, transitional stage. It is said that under the Bill, advanced areas and communities would be benefited at the expense of the less advanced. That argument is based on a complete misapprehension of the scheme. No one has ever suggested, or can possibly suggest, that any money should be taken out of existing expenditure on primary education for its extension on a compulsory basis. No one can also possibly wish to curtail future increases in the allotments to education on a voluntary basis. The expenditure for introducing compulsion is to come out of additional revenues partly raised locally and partly raised

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specially by the Government of India. The Government of India's funds will have necessarily to pass through the Local Governments, since education is a provincial charge. But that does not mean that Provincial Governments will have to curtail their present or future expenditure on a voluntary basis to finance any scheme of compulsion.

My Lord, I have so far dealt with the four principal official objections against the Bill. I will now refer very briefly to the three non-official arguments which I have mentioned. The first argument is that while there is no objection to compulsion itself, the levy of a special education rate, where it would be necessary, would be most objectionable. Well, my Lord, I must say to that, that if we merely want compulsion, but are not prepared to make any sacrifices for the benefits that would accrue from it to the mass of our people, the sooner we give up talking about securing universal education, the better. The practice of the whole civilized world points out that a part of the burden must be borne by the local bodies. There is only one exception, as far as I am aware, and that is Ireland, where almost the entire cost of elementary education comes from the Imperial Exchequer. They have given this special treatment to Ireland because for a long time Ireland has complained of being treated with great financial injustice under the arrangement that has been in existence since the Act of Union was passed more than a century ago. If we take the whole of the United Kingdom, we find that the local bodies there bear on the whole about a third of the total cost. It is the same in France. And in other countries, the local proportion is still larger. I cannot therefore see how anybody can reasonably urge that the whole cost of compulsion should be borne by the Central Government.

The next objection urged in some non-official quarters is that if you make education compulsory, it must be made free and the Bill does not make it free for all. I frankly confess that the proposal embodied in the Bill on this point was intended to conciliate official opinion. My own personal view always was that, where education was made

compulsory, it should also be made free. Two years ago, when I placed my Resolution on this subject before this Council, I urged that view in explicit terms. In framing the Bill, however, I was anxious to go as far as possible to conciliate official opinion, and I therefore put in the provision that no fees should be charged in the case of those whose incomes were below Rs. 10 a month, and that above that limit the matter should be left to the discretion of local bodies. Well, my Lord, I must frankly admit that I have failed in my object. Official opinion has not been conciliated; and I do not see why I should allow room for a division in our own ranks by adhering to this provision. I shall therefore be glad to go back to my original proposal in this matter that, where education is compulsory, it should also be free.

Lastly, my Lord, a word about the Muhammadan objection. I believe I need not say that there never was any intention that the compulsory clauses of the Bill should be utilized to compel Moslem boys to learn non-Moslem languages. However, to remove all misapprehension on this point, I am perfectly willing that where 25 children speaking a particular language attend a school, provision should be made for teaching those children in that language; and further, where the number is less than that, it should be left to the community itself to say whether the children should come under the compulsory clauses of the Bill or not. I have discussed this matter with several leading Muhammadan gentlemen and I understand that this would meet their view.

My Lord, I have now dealt with all principal objections urged against the Bill. I cannot understand why there should be all this vehement opposition in certain quarters to a measure so modest in its scope and so permissive in its character. No local body is compelled to come under this Bill, that wants to keep out of it. Any Local Government that wants to prevent compulsion being introduced in any particular area, can prevent it by withholding its sanction to its introduction. And, lastly, the supreme control of the Government of India is retained at

the initial stage by the provision that it is the Government of India that should lay down the proportion of school-going children at school which must be satisfied before any local body can take up the question of compulsion. I cannot see how such a Bill can do harm in any locality. I would only invite the attention of the Council to the fact that at least a hundred Municipalities, more or less important, are willing to-day to try the experiment in their areas if this Bill is passed, and I do not see why these Municipalities should not be permitted to make the experiment. Of course the whole thing hinges on whether the Government of India are prepared to find a good part of the cost. That is, in fact, the real crux of the question, and whether the Bill is accepted or thrown out, it is perfectly clear that no large extension of elementary education is possible in the country, unless the Government of India come forward with generous financial assistance. I would therefore like to make a special appeal to the Hon'ble Member in charge of education on this occasion. My Lord, the Hon'ble Member knows that no one has acclaimed more enthusiastically than myself the creation of the Education Department, and I am sure every one will admit ungrudgingly that during the year and a half that the Department has been in existence, it has already amply justified its existence by the large grants, recurring and non-recurring that it has succeeded in securing both for education and sanitation in this country. We are sincerely grateful to the Government of India for these grants. And, my Lord, in view of the conversation with Your Excellency which was mentioned by the Finance Member the other day, I think we are justified in expecting that in succeeding years these grants will grow in more and more, and not less. Well, so far I believe we are all at one with the Department, I would like to say something more to the Hon'ble Member. My Lord, I know that the fate of my Bill is sealed. Now, there are obvious disadvantages attaching to a private Bill. Why not introduce a Government measure after the ground has been cleared by the rejection of this Bill? Why not—I put it to the Hon'ble Member—introduce a Government measure?



It is quite true that there is room for progress on a voluntary basis. Let the Local Governments who are so anxious to keep education on a voluntary basis be required to push on its spread as vigorously as possible on a voluntary basis. And let the Government of India in the Education Department take up the question of pushing it on a compulsory basis, as its own special charge. I would like to put it to the Hon'ble Member, is he content merely to take grants from the Finance Department and distribute them among the various Local Governments and then look on, or is he not anxious, as I think it is his duty, to take a hand in the game himself? If he is, then I suggest that there should be a division of functions such as I have described between the Provincial Governments and the Government of India. The progress of education on a voluntary basis should be left to the Provincial Governments. They do not want compulsion. They all prefer to push it on a voluntary basis. Let us then leave that work to them; let the Government of India, with its wider outlook and its larger resources, come forward, and profiting by the example of other civilized countries, provide for the gradual introduction of compulsion in this country. Let the Government take up the question of compulsion themselves, then they will be able to provide all the safeguards that they deem necessary. Let them frame a Bill free from all the blemishes which have been discovered in mine, and let them carry it through the Council. And let them, at the same time, announce a generous policy of substantial assistance to local bodies in carrying out the provisions of the measure. My Lord, let this be done, and let the burden of all future extensions be shared between the Government and the local bodies in the proportion of two-thirds and one-third. I would recommend that both for voluntary and compulsory extensions—I mean Provincial Governments should bear two-thirds of the cost of all future extensions of elementary education on a voluntary basis, and the Government of India, two-thirds of the cost of compulsion. Then, my Lord, elementary education will advance in this country with truly rapid strides, and the Hon'ble Member in charge of the Education Department

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will, under Your Excellency, write his name large on the memory of a grateful people.

My Lord, I have done. No one is so simple as to imagine that a system of universal education will necessarily mean an end to all our ills, or that it will open out to us a new heaven and a new earth. Men and women will still continue to struggle with their imperfections and life will still be a scene of injustice and suffering, of selfishness and strife. Poverty will not be banished because illiteracy has been removed, and the need for patriotic or philanthropic work will not grow any the less. But with the diffusion of universal education the mass of our countrymen will have a better chance in life. With universal education there will be hope of better success for all efforts, official or non-official, for the amelioration of the people—their social progress, their moral improvement, their economic well-being. I think, my Lord, with universal education the mass of the people will be better able to take care of themselves against the exactions of unscrupulous money-lenders or against the abuses of official authority by petty men in power. My Lord, with 94 per cent. of our countrymen sunk in ignorance, how can the advantages of sanitation or thrift be properly appreciated, and how can the industrial efficiency of the worker be improved? With 94 per cent. of the people unable to read or write, how can the evil of superstition be effectively combated, and how can the general level of life in the country be raised? My Lord, His Majesty the King-Emperor, in delivering his message of hope to the people of this country before he left Calcutta, was pleased to say: ‘And it is my wish too that the homes of my Indian subjects may be brightened and their labour sweetened by the spread of knowledge, with what follows in its train—a higher level of thought, of comfort, and of health.’ No nobler words were ever uttered. May we not hope that the servants of His Majesty in this country will keep these words constantly before their minds and will so discharge the responsibility which they impose that future generations in this country will be enabled to turn to His Majesty’s declaration with the same fervent and reverent gratitude

with which the people of Japan recall their Emperor's famous rescript of 1872? My Lord, I know that my Bill will be thrown out before the day closes. I make no complaint. I shall not even feel depressed. I know too well the story of the preliminary efforts that were required even in England, before the Act of 1870 was passed, either to complain or to feel depressed. Moreover, I have always felt and have often said that we, of the present generation in India, can only hope to serve our country by our failures. The men and women who will be privileged to serve her by their successes will come later. We must be content to accept cheerfully the place that has been allotted to us in our onward march. This Bill, thrown out to-day, will come back again and again, till on the stepping-stones of its dead selves, a measure ultimately rises which will spread the light of knowledge throughout the land. It may be that this anticipation will not come true. It may be that our efforts may not conduce even indirectly to the promotion of the great cause which we all have at heart and that they may turn out after all to be nothing better than the mere ploughing of the sands of the sea-shore. But, my Lord, whatever fate awaits our labours, one thing is clear. We shall be entitled to feel that we have done our duty, and, where the call of duty is clear, it is better even to labour and fail than not to labour at all.

*[Replying on the debate which ensued, Mr. Gokhale spoke as follows :—]*

Sir, it only remains for me now to reply to the speeches which have been made in opposition to the motion that I have submitted to the Council. I will first say a few words about my friends, Sir Gangadhar Chitnavis and Nawab Abdul Majid. I really do not complain of the view which these two friends have expressed. Frankly, they do not believe in mass education, and in that they are not singular. There are men belonging to their class in other countries—in Western countries—who also have the same distrust of mass education. If my friends had the courage of their convictions, if they were prepared to push

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their views to their logical conclusion, they would propose the abolition of mass education. But they will not do that, for they are discreet in their generation. But, Sir, I would like to know one thing from the Hon'ble Sir Gangadhar Chitnavis, if he will be so good as to enlighten us on that point. The two local bodies of which my friend is President, namely, the Nagpur Municipality and the Nagpur District Board, have both supported this Bill. Now, was he or was he not present at the meetings of these bodies when the Bill came up for consideration? And if he was, did he protest against the resolutions? And if not, is the difference in his attitude due to the difference between the popular atmosphere of those meetings and the predominantly official atmosphere that we have in this Council?

The Hon'ble Sir Gangadhar Rao Chitnavis: I was present at the two meetings of the Municipal Committee and of the District Council, but the way in which those resolutions were made and the safeguards with which they have been hedged round will show how enthusiastically people received this measure. And I told them—

The President: I cannot allow the Hon'ble Member to make a speech. He must sit down and let the Hon'ble Mr. Gokhale continue his remarks without interruption.

The Hon'ble Mr. Gokhale: Well, that suffices for my point. The Hon'ble Member was present and the resolutions were in favour of the principle of the Bill. You may put it any way you like, but the resolutions did favour the principle of my Bill. And the motion before the Council asks for nothing more. All it says is, approve the principle of the Bill and send it to a Select Committee in order that its provisions may be carefully examined. If the Hon'ble Member did not protest against those resolutions, if he allowed those resolutions in favour of the Bill to be passed there without his protest, I cannot understand how he can now oppose this motion that the Bill should go to a Select Committee. My Hon'ble friend, the Malik Sahib, has opposed the motion so gently that I shall show my gratitude by not controverting his views. My Hon'ble

friend, the Maharaja of Burdwan, has also expressed himself in such a guarded way that I prefer to look upon his speech as more in favour of the motion than against it. He is in any case not going to vote against the motion; therefore, I will not say anything more as regards his attitude. I now come to the Hon'ble Mr. Dadabhoy. I must say that my friend's position is absolutely incomprehensible to me. The other day I congratulated my friend on his conversion to official views in the matter of our complaint that the grant to irrigation was not always fully expended. The official plea has always been that, owing to scarcity of labour, the money allotted cannot always be spent. I congratulated my friend on his conversion to official views in that matter, because the complaint which was made on this subject the other day by the Hon'ble Mr. Mudholkar, and in which Mr. Dadabhoy could not agree, was precisely the complaint which my friend had himself been making in years past. To-day I will go a little further and congratulate my friend not only on his conversion to official views but on his conversion to the very manner of expressing those views.

The Hon'ble Mr. Dadabhoy: Will you allow me a personal explanation?

The President: I think the Hon'ble Mr. Gokhale is entitled to continue his speech without constant interruptions. Every member belonging to the Indian portion of the Council has made a speech, and I think the Hon'ble Mr. Gokhale is entitled, except for very strong reasons, to proceed without interruption.

The Hon'ble Mr. Gokhale: Official members, when they oppose a non-official motion, first express plenty of sympathy with an object. Sometimes the sympathy is really most valuable; sometimes it is only intended to soothe our susceptibilities. But in any case sympathy is generally expressed before a motion is resisted. My Hon'ble friend has also begun to give us sympathy while opposing our resolutions. But, Sir, official sympathy has a practical value because it often means increased grants.

I do not know, however, what we can do with the sympathy which the Hon'ble Member offers us. In fact, Sir, I must say that it is a source of no small embarrassment to us, because official opponents can point to that sympathy and say : 'Here is a member who is in sympathy with you, and yet who deems it his duty to oppose your motion.' The less, therefore, that we have of such expressions of sympathy from my Hon'ble friend in future the better, for we certainly should prefer his opposition pure and simple. Sir, two years ago I moved in this Council a Resolution on the subject of free and compulsory education. That Resolution recommended that a *beginning* should be made in the direction of making elementary education free and compulsory. There was no ambiguity about the terms. I definitely suggested that a *beginning* should be made. The Hon'ble Mr. Dadabhoj then made a speech in support, the very first sentence of which was : 'My Lord, I cordially support this Resolution.' He cordially supported my Resolution recommending that a beginning should be made in the direction of making elementary education free and compulsory. And we argued strongly about the necessity of introducing compulsion. The Hon'ble Member said : 'And if the propriety of the Government action in fixing the age at which children can begin manual work in the interests of the physical development of the nation be admitted, equally, if not even more proper will the Government policy be in compelling children to attend school up to a certain age in the higher interests of their mental and moral development. It is a balancing of advantages and disadvantages, and the advantage would appear to be in favour of compulsory education.'

Then again, Sir, last year, when I introduced the present Bill, what was it that the Hon'ble Member said ? (Mr. Dadabhoj : Hear, hear.) Mr. Gokhale : You may cheer now, but you won't cheer at the end. My Hon'ble friend thus referred to the Bill which is now before the Council, the Bill which I propose should now go to a Select Committee : '*prima facie*,' he said, 'the Bill deserves support. A close examination of the provisions

(not merely a superficial glance at them but a close examination such as my friend always bestows on every subject) will show that the general principle of the Bill is sound.' He thus said that a close examination of the Bill had convinced him at that time that the general principle of the Bill was sound. Sir, to-day we are only considering, as my friend the Hon'ble Mr. Mazharul Haque has already pointed out, the general principle of the Bill. The place for considering the details is the Select Committee. Those who are in favour of the general principle of the Bill are, in my opinion, bound to support this motion for referring the Bill to a Select Committee. If my friend is in favour of the general principle of the Bill I cannot understand how he opposes the motion.

The Hon'ble Mr. Dadabhoy: Forgive me, Sir, but in fairness to myself I must request you to permit me to tender a personal explanation.

The President: Are you rising to a point of order?

The Hon'ble Mr. Dadabhoy: No, Sir, I want to explain my position.

The President: Order, order. The Hon'ble Member had ample opportunity to explain his position at the time when he was speaking. The Hon'ble Mr. Gokhale is now fully entitled to proceed with his speech without interruption.

The Hon'ble Mr. Gokhale: Sir, I must also point out that I am confining myself to quotations entirely. The Council is in a position to judge if I am properly representing or not the Hon'ble Member. I am quoting his words exactly as they are in these proceedings. Sir, more than that, since the Hon'ble Member himself made an indirect reference to the subject yesterday, I may mention that only ten days ago my Hon'ble friend had assured me that he would not only support my motion, but would strongly support it. He is of course entitled to change his views, but a man who has been as long as my friend has been in public life and who had examined the provisions of my Bill carefully last year and had expressed the views he

did last year and the year before is certainly expected to show some consistency.

The Hon'ble Mr. Dadabhoy : Will you allow me, Sir.

The President : The Hon'ble Mr. Gokhale is fully entitled to make these remarks. He is making quotations from books to which we all have access, and I must request the Hon'ble Member to allow him to proceed without interruption.

The Hon'ble Mr. Gokhale : May I point out to the Hon'ble Member that there is always a disadvantage attaching to a person speaking before another. If the Hon'ble Member gets an opportunity of speaking after me, he will be entitled to say whatever he chooses, without being interrupted by me. He, moreover, can explain himself in the columns of the Press, if he likes.

Well, I will now pass on from Mr. Dadabhoy and say a few words with reference to the remarks made by the Hon'ble Mr. Shafi. A large part of the Hon'ble Member's speech was devoted to a condemnation of the principle of compulsion, and, after the manner in which the Hon'ble Member in charge of the Education Department practically accepted the desirability of compulsion, I do not think I need say much about that part of his case. After all when the Hon'ble Member in charge of Education, speaking in the name of the Government, says what he did on the subject of compulsion, if a private member takes a different view, that is comparatively a small matter. The Hon'ble Member is of opinion that, unless a person is absolutely and entirely in favour of every single clause of a Bill, he cannot be regarded as a supporter of the Bill. Now, Sir, as my friend the Hon'ble Mr. Haque has already pointed out, we are only considering the principle of the Bill to day, and I have already explained that, when I said that certain persons were in favour of the Bill. I only meant that they were only in favour of the principle of the Bill. It should be remembered that a Bill is not like a law of the Medes and of the Persians or like Athene issuing from the head of Jove clad in full armour. A Bill



is a series of proposals tentatively put forward before the public. Certain parts are fundamental and they cannot be allowed; but certain other parts are only tentatively put forward, and are liable to be revised in the light of such public criticism as is brought to bear upon them. If you take the view that he alone can be called a supporter who accepts every single clause of a Bill as first drafted, then no measure that was ever introduced in this world can be said to have been supported largely by the public.

The Hon'ble Member also said that one result of my Bill would be that the areas that were more advanced would derive additional advantage and the areas that were more backward would be pushed still further back. This objection has also been urged by some other members. I have already pointed out that the objection is based on a complete misapprehension of my scheme such as it is. I do not want that the Provincial Governments should reduce in any way the expenditure that they are already incurring on the primary education of backward areas. And I do not for a moment suggest that further grants for primary education in backward areas on a voluntary scale should be reduced. But what I want is that, if certain local bodies want to go in for compulsion and are prepared to find a part of the cost, the Imperial Government, out of their own Exchequer, should come forward to the assistance of these bodies and provide the rest of the cost that would be required. If these local bodies do not go in for a compulsory scheme, the Government of India would probably be devoting its surplus revenues to various other purposes, such as to the reduction of debt and a number of other objects with which we are familiar. What I say, therefore, is that without touching the revenues of Provincial Governments, if any local body wanted to go in for compulsion and raised a part of the cost, the Government of India should come forward and supplement that cost out of their own Exchequer. I do not see how this would constitute any disadvantage to the backward areas which in their turn would also be benefited by the arrangement.

I will now come to the remarks of the Hon'ble Member in charge of Education. I hope the Hon'ble Member will permit me to say that it was with the utmost satisfaction that I listened to the concluding portion of his speech—not the controversial part, with which I will presently deal, but the concluding portion of his speech. That portion really is what matters to us, because it lays down the future policy of the Government of India so far as primary education is concerned. Sir, as I listened to those warm and enthusiastic words which fell from the Hon'ble Member, I could not help feeling what a great thing it would have been for the country if, instead of being an official, the Hon'ble Member had been a non-official and if we could have had an opportunity of placing ourselves under his banner and spreading the gospel of the necessity of mass education throughout the country under his lead. Sir, I think that portion of his speech will give great satisfaction throughout the country, even to those who are convinced that we should lose no more time in making a beginning in the direction of making elementary education free and compulsory; because, taken with the opening words of his speech, it goes much further than any pronouncement on the part of Government has previously done. The Hon'ble Member stated at the beginning that no one would rejoice more than himself if primary education became free and compulsory in the country, and that it was the policy of the Government to so work that that desirable consummation should be brought about. That commits the Government of India, first, to an approval of the principle of free and compulsory education, and, secondly, to so conduct their educational operations that the time for making education free and compulsory would be hastened and not indefinitely put off. That, taken with the determination announced at the close of the speech, amounts to a practical promise that sooner than many of us imagine, the State will help us to reach the goal which we have before our eyes, the goal of free and compulsory education.

Sir, I will now deal with the principal points in the Hon'ble Member's speech. I am personally grateful to

him, as also to the Hon'ble Mr. Sharp, for the terms of appreciation in which they have spoken of my humble efforts in this matter; but I did not quite understand what the Hon'ble Member meant by observing that, while he was prepared to appreciate what I had been doing, he was somewhat disappointed to find that I did not equally appreciate what the officials had been doing. If he spoke of his Department, he knows that there is no warmer appreciator of the efforts of that Department than myself. If, however, he spoke of the officials generally, he cannot surely expect me to be grateful even to those officials who are against mass education itself. As regards a number of officials who are really striving to push on mass education, of course we all appreciate their efforts: but appreciating efforts of that kind is one thing and expressing disappointment at the pace at which we are moving is another thing. Without intending to cast any reflection on those officials who are doing what they can under the existing system to push on primary education, I think it is perfectly permissible to say that the pace at which we are going is very unsatisfactory. In fact, that is what the Hon'ble Member himself said yesterday, and that is all I have said. Sir, the Hon'ble Member referred to what I had said about the letter of the Bombay Government, and he asked the Council to remember that the head of the Bombay Government was Sir George Clarke; and he seemed to imply that I had cast some sort of reflection on Sir George Clarke. It is not necessary that I should say to this Council that I have always entertained the warmest admiration for Sir George Clarke, both personally for his remarkable qualities of head and heart, and also for the great services that he has rendered to the Bombay Presidency in many fields. But this is not a question of Sir George Clarke personally; it is a question of the letter which the Bombay Government as Provincial Government has addressed to the Government of India; and I did mean yesterday, and I do say to-day, that even a great Provincial Government might show some courtesy to those who have the misfortune to differ from its views. I will give only one quotation to this Council. Speaking about a proposal that fees should be remitted and that free

education should be introduced, the Bombay Government says : 'Such a policy would be regarded as a triumph by a few persons who have shown no understanding of educational questions.' Now, Sir, I understood the Hon'ble Member in charge of Education yesterday to favour free education. Many members here have also got up and said that they would like to have free education. Some of the officers belonging to the different Provincial Governments have expressed the view that education should be made free before it is made compulsory. But more than all, only five years ago the Government of India addressed a circular letter to all Local Governments advocating that fees should be abolished and that free education should be introduced. I therefore respectfully pass on this description of the Bombay Government of those who favour free education to the Hon'ble Member and to the Government of India !

Sir, the Hon'ble Member asked, who were they who were in favour of this Bill ? Now, that is a very easy way of disposing of all those who are inconveniently ranged on the other side. Those who are in favour of the Bill may be divided into two classes, namely, those who belong to the educated classes, and those who belong to the backward communities. Now, you can discredit the support given by these two sections in two separate ways. The Central Provinces Government, for instance, says that the members of the educated classes might be in favour ; but what does it cost them to be in favour ? The question does not really concern them, and mere heroic resolutions in favour of this proposal do not really count for much. On the other hand, if members of backward communities assemble and express themselves in favour, the argument is used, what do they understand of the Bill ? They have not the intelligence to understand what would be the effects of the Bill. My Hon'ble friend Mr. Mudholkar reminds me that only a short time ago a meeting of 2,500 Mahars, that is, one of the most depressed classes on our side, was held in Berar and passed a resolution in favour of this Bill. If you ask me if every member of that body understood what the Bill was, I could not answer that question in the

affirmative; but they must have had a fairly general idea that the Bill was intended to make education compulsory, and that under it their children would be compelled to go to school so that they might derive the benefits of education. The analogy of the three tailors of Tooley Street could in my opinion be applied far more to the persons opposed to the Bill than to those who are in favour of the Bill.

Now, Sir, I come to my examples from different countries. The Hon'ble Member said, before dealing with these analogies, that there are differences in this country, of caste, differences of script, differences of language. But that only means that we have a bigger problem than elsewhere. It does not mean that we cannot tackle the problem successfully. What are these differences to do with the question of compulsion? You have got primary schools just now to teach different scripts, and different languages and for different communities; all that is necessary is to increase their schools and introduce compulsion in regard to attending them.

The Hon'ble Member, speaking of the case of England, said that in England compulsory education and compulsory attendance came six and ten years after the compulsory provision of educational facilities. Will my Hon'ble friend allow me to say that that statement is not correct? The Act of 1870, which required the compulsory provision of educational facilities, at the same time empowered local authorities to frame bye-laws, whereby the attendance of children could be secured compulsorily at school. Of course it was a purely permissive provision, which some local authorities used and some did not. But that is precisely what this Bill proposes to do. In 1876, the next step was taken when the responsibility was thrown on the parents to send their children compulsorily to school, and the whole fabric was ultimately completed in the year 1880, when local authorities were compelled to frame bye-laws. But the Act of 1870 was in many respects similar to the Bill which I have laid before the Council, because this Bill on the one side empowers local

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bodies to introduce compulsion and on the other throws the responsibility on them to provide the necessary educational facilities.

The Hon'ble Member has told the Council that in Japan it is persuasion and not compulsion that has produced the present results. An answer to that was given this morning in the course of the debate, that persuasion there has succeeded because there is compulsion behind it to fall back upon. All that we want is that we too should have compulsion to fall back upon and our persuasion also will then succeed much more than it can do at present.

Then, Sir, as regards the question of the Philippines. The Hon'ble Member said that there was no State law of compulsion in the Philippines. That is quite true, but that is exactly what I myself had stated last year. This is what I had said :

Under Spanish rule there was no system of popular education in the Philippines. As soon as the Islands passed into the possession of the United States, they drew up a regular programme of expenditure which has been systematically adhered to. The aim is to make primary education universal and the educational authorities advise compulsion though no compulsory law has yet been enacted. In the matter of education many Municipalities have introduced compulsion by local ordinances.

That is my point. Of course, these local ordinances have been held by some to be illegal; they have been framed under powers that were conferred on local bodies by the Spanish Government. That, however, is a separate matter. It is significant that nobody has come forward on the side of the people to question the validity of these local ordinances.

Coming to Ceylon, the Hon'ble Member said that 60 per cent. of the population of Ceylon were Buddhists. What has religion got to do with the question of compulsion? If you mean to say that there are no castes among the Buddhists, and therefore the difficulty is less, I say there are no castes among the Muhammadans of this country, and yet what have you done to introduce compulsory education among the 100 per cent. of the Muhammadans of this country?

Finally, I come to the question of Baroda. The Hon'ble Member quoted figures which largely go against him. In the first place, he said that even according to the last census the percentage of literacy in Baroda was only 17 for the male population while the percentage in a British district—Broach—was 24. This is quite true; but that only helps me, for it shows that Baroda resorted to compulsion even before that State was as advanced as the neighbouring British territory in the matter of the spread of education. We have been told again and again that there must be a certain general diffusion of education before you can take in hand compulsion and I accepted with some reluctance a percentage of 33 as the proportion of children of school-going age who should be at school before compulsion could be introduced. Here, however, we find in Baroda, even when education was much more backward than it is in the surrounding British territories, the State took up compulsion—a point distinctly in my favour and not against me. Then, Sir, compulsory education was introduced in Baroda only five years ago. Surely my Hon'ble friend does not expect that the illiteracy of those who were beyond the school-going age five years ago would be touched by the compulsory education introduced during the last five years. The bulk of the population had passed beyond that stage five years ago, and of course they all come into the census figures of illiterates. But let us wait for another ten years and then we shall see a great difference if the British Government continues—as I hope it will not—on its present voluntary basis and the Baroda Government on its compulsory basis. Then, Sir, the Hon'ble Member gave some figures for Broach. Well, I accept those figures—6·9 of the total population being at school in the whole district of Broach. But the Hon'ble Member should compare likes with likes. Broach is the most advanced district of the five districts which constitute Gujarat. If the Hon'ble Member takes that district, he should also take the most advanced division in the Baroda State for comparison. Else the comparison will not be fair. If you take the most advanced division in Baroda, which is, I find, the Navsari Division, the percentage of those who are at school to the total popula-

tion is nearly 13 as against 6·8 for Broach—about double. So those figures after all really do not help the Hon'ble Member very much. The Hon'ble Member says that the percentage of attendance in Baroda to the total population is 8·5. I have got with me the report for 1911, which is recent enough, and I find there that the proportion for the whole State of those who are in primary schools is 9·5 and not 8·5 : 8·5 is the attendance in village schools only. The proportion of all who are receiving primary education is 9·5. I will show the report to the Hon'ble Member afterwards if he likes ; I have got it here with me. In your most advanced district in British territories—Broach—it is 6·8. Already this makes a difference. If you allow things to go on like this, will it take long for the British Government to lag behind Baroda—a contingency which, I am very glad to see, the Hon'ble Member regards with horror ?

Then, Sir, the Hon'ble Member relied on the support of the Bombay Corporation. Let me warn him again that he is leaning on a broken reed indeed. The Bombay Corporation is not only in favour of the principle of free and compulsory education, but it would like to throw the whole cost, or nearly the whole cost, on Imperial revenues. Is the Hon'ble Member prepared to accept that ? Let him part company with the Bombay Corporation while there is yet time. He also spoke of the Malabar District Board's opinion that it is better to improve education than to go in for universal education. Who proposes universal education straight off ? We propose that we should only make a beginning in the direction of compulsory education and gradually advance, in the course of 10, 15 or 20 years. All the objections that are based on the assumption that we propose to go in straight for universal education are based on a misapprehension and therefore need not be considered any further. In this connection I would like to notice one remark which fell from the Hon'ble Mr. Sharp about the banishment of illiteracy. I am not so simple as to imagine that if you introduce compulsion in a few areas you will banish illiteracy straightway from the whole land. But the problem is a vast one ; let us take it in hand at once and make a beginning, that is what I say



Unless you make a beginning at once, the prospect is not very cheering.

Sir, one of the most important points raised in this discussion—it has been urged by several members—is this—first have schools, first have trained teachers and then propose that education should be made compulsory. Now, those who will go through the parliamentary discussions of 1870 will find in the volumes of Hansard that the same arguments were urged in England when the Act of 1870 was proposed. Where are the teachers? Where are the school-houses? That was what was urged against that measure. But I would like to ask what is really meant by this objection. If you call upon a local body merely to build schools, if you call upon either Local Governments or local bodies merely to have trained teachers without saying where they are to work, do you think any body would take such a proposal seriously. Not unless you gave the local bodies at the same time the power to compel attendance. If a school is built or hired, local bodies should have the power to fill the school at once. They cannot build a school and then, with doors thrown open, wait for any stray children to walk in. You must give them the power to compel attendance simultaneously. That is what the English Act of 1870 did. It compelled local authorities to provide school accommodation. But at the same time it empowered them to compel attendance at school, no doubt in a permissive way, as this Bill does. What I say is, that the two things must go hand in hand; you cannot urge that one thing should come before the other. It is the same thing about teachers: you must be satisfied with untrained teachers for a time. After all, too much has been made of trained teachers; not that I depreciate the value of trained teachers, but for the purpose of giving the most elementary type of education—for imparting a knowledge of the 3 R's—I think even untrained teachers are not as useless as they are depicted. Most of the Indian members in this Council received their primary education under untrained teachers. The Hon'ble Mr. Sharp said that he had *visited* thousands of primary schools: Sir, we have *learnt* in

primary schools. We have experience from the inside of these schools. How did we receive our primary education? I remember how I did it. We used to squat on the floor with a wooden board in front of us covered with red powder and a piece of stick to write letters with. Well, we have done fairly well in life after all, though we received our primary education in that way under untrained teachers. It is a question of removing illiteracy first of all. And here I should like to quote an important authority—the authority of the Bombay Government. Two years ago, Sir George Clarke—I think it was in his Convocation speech—took the same line that the Hon'ble Member in charge of Education took yesterday and the Hon'ble Mr. Sharp did to-day. 'You must first have trained teachers; the quality of education must be raised; you must have proper school-houses, and so on.' Last year, however, he came round to the other view. A Resolution was issued by the Bombay Government (I do not know whether my friend the Hon'ble Mr. Enthoven was then Secretary in the Education Department in Bombay) on the spread of primary education in rural areas. And what does that Resolution say? It gives up the insistence on trained teachers and good school-houses, and it proposes to place primary education on an indigenous, aided basis in rural areas, giving grants to untrained teachers and allowing them to teach as well as they can, the curriculum of course being under the control of the Department. Now, this is precisely what we want all over the country to begin with. First establish at once these lower primary schools, then go on, as you have funds, improving the standards, bringing in trained teachers, and having better school-houses. And for God's sake do not wait for your trained teachers, for your decent school-houses, till you take up the question of removing illiteracy from the land in hand. That is really the whole of my contention.

I wish now to turn to the question of cost, and will only deal very briefly with it. The Hon'ble Member said he would like to take Rs. 10 as the figure per head. I meet him there with official authority. Mr. Orange—no amateur—in charge of Education before the Department

was created—Director-General of Education—in an estimate that he prepared, not for a discussion in this Council, but for the Government, took Rs. 5 as the average cost per head: the Hon'ble Mr. Sharp will correct me if I am wrong; I know he cannot, because he knows that I am right. Mr. Orange took Rs. 5 per head. I think that that estimate holds the field and any mere vague statements that it might be more than this, that it might be 6 or 7 or 10 rupees, we are not bound to accept till the Hon'ble Member challenges the estimate of Mr. Orange and proves it to be an under-estimate. And if we take Rs. 5 per head, the figures I have given are quite correct. Sir, I have already dealt with the argument that if compulsion is introduced in advanced areas, the spread of education in backward areas will suffer. I should deplore any action that could produce such a result: but I am sure there is no real foundation for the fear. How can any one imagine that those who want to see free and compulsory education all over the country would be a party to any scheme which would retard, instead of promoting, education in backward areas?

Sir, there is one more point and I shall have done. The Hon'ble Member spoke yesterday of the desirability of such questions being dealt with by Local Legislative Councils. I have no objection to that. If Local Legislatures will take up this question and empower local bodies within their limits to introduce compulsion, I have no objection. Only I hope that that will not absolve the Government of India from the responsibility of finding the money, because it is essential that the Government share of the cost of compulsion should come out of the Exchequer of the Government of India, no matter what the estimate is. Sir, to those who profess to be appalled by the amount of money that will be required, I will mention only one act. The military expenditure of this country—owing to the exigencies of the State—I will not enter just now into its justification or otherwise—has risen in 35 years from 16 crores to about 31 crores of rupees—an increase of 15 crores a year. It was 16 crores at the end of Lord Ripon's administration; it is nearly 31 crores now. If our military

expenditure could be increased by 15 crores like this because the State thought it necessary to find the money, the spread of education, which is surely just as important as the defence of the country, has also a similar claim on Government revenues, whatever amount is actually required. And I am quite sure the State will be able to find the money, if the Government of India do not try to throw the responsibility on Local Governments. On this condition, I do not object to Local Legislatures taking up this question. Sir, the whole question, as my Hon'ble friend Mr. Jinnah has pointed out, is, what is your practical programme, whether you propose to secure universal mass education in this country in a reasonable time, or whether you want to wait for an indefinite time. The Hon'ble Mr. Sharp has given us the figures for the last five years. I have worked out the calculation from the figures I have here, and it comes to an increase of about 120,000 boys a year. Take the difference between the figure at the beginning and the figure at the end, and divide it by 5. The result is not 240,000 as the Hon'ble Member said. I admit that 120,000 is better than 75,000, but the whole question is, what is the practical programme before us? Do we expect to cover the whole of this field in a reasonable time, or do we want to leave it to the future indefinitely? In one case another century will have to elapse before the whole problem is solved; in the other case, proceeding on the lines on which most of the civilised countries have proceeded, we shall be able to solve this problem in about twenty years or so. I therefore urge that the question of compulsion must be taken in hand at once; and taking into consideration the fact that there is this increased awakening in the country both on the side of the people and of the Government for primary education, and considering that the State is more willing now to find the money, I for one feel that we are not so far from compulsion after all, as some people seem to imagine. Sir, I ask that this motion should be put to the vote.

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## PART II.

# CONGRESS SPEECHES.

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### BENARES CONGRESS PRESIDENTIAL ADDRESS.

*[The following is the Presidential Address delivered by the Hon. Mr. G. K. Gokhale at the Indian National Congress held at Benares in 1905 :—]*

Fellow-Delegates, Ladies and Gentlemen,—I thank you from the bottom of my heart for the great, the signal honour, which you have conferred upon me by electing me to preside over your deliberations this year. As has been said by more than one of my predecessors, the Presidentship of the Congress is the highest distinction, which it is in the power of our countrymen to bestow upon any one; and proud, indeed, is that moment in an Indian's life when he receives at your hands this most conspicuous mark of your confidence and your favour. As I, however, stand before you to-day, it is not so much the honour of the position, great as that is, as the responsibility which it imposes upon me, that occupies my thoughts. When I was first invited nearly four months ago to accept this office, we were able to see on the horizon only the small cloud—no bigger than a man's hand. Since then the sky has been overcast and for some time a storm has been raging; and it is with rocks ahead and angry waves beating around that I am called upon to take charge of the vessel of the Congress. Even the stoutest heart among us may well own to a feeling of anxiety in such a situation. Let us, however, humbly trust that in this holy city of Benares, the Divine guidance, on which we may securely throw ourselves, will not fail us, and that the

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united wisdom and patriotism of the delegates assembled will enable the Congress to emerge from the present crisis with unimpaired and even enhanced prestige and usefulness.

### THE PRINCE AND PRINCESS OF WALES.

Gentlemen, our first duty to-day is to offer our most loyal and dutiful welcome to Their Royal Highnesses the Prince and Princess of Wales on the occasion of this their first visit to India. The Throne in England is above all parties—beyond all controversies. It is the permanent seat of the majesty, the honour and the beneficence of the British Empire. And in offering our homage to its illustrious occupants and their heirs and representatives, we not only perform a loyal duty, but also express the gratitude of our hearts for all that is noble and high-minded in England's connection with India. The late Queen-Empress, again, was known, within the limits of her constitutional position, to exercise during her reign her vast influence in favour of a policy of justice and sympathy towards the Indian people. We can never forget that the great Proclamation of 1858, on which we take our stand so largely in our constitutional struggle, was not only in spirit but also in substance her own declaration of the principles on which India was to be governed. The present King-Emperor has announced his resolve to walk in the footsteps of his mother, and we have no doubt that the Prince of Wales is animated by the same desire to see a policy of righteousness pursued towards India. We rejoice that His Royal Highness and his noble consort have come out amongst us to acquaint themselves personally with the ancient civilization of this country and its present condition. The Congress earnestly and respectfully wishes Their Royal Highnesses a most successful tour through India, and it humbly trusts that the knowledge they will acquire and the recollections they will carry back with them will constitute a fresh bond of sympathy and attachment between the Royal Family in England and the Princes and people of this country.

### THE NEW VICEROY.

The Congress also offers a most cordial and respectful welcome to Their Excellencies Lord and Lady Minto. The

new Viceroy assumes the responsibilities of his office at a critical juncture. The temper of the people, so sorely tried during the last three years, calls for the exercise of wise and statesmanlike conciliation on the part of those who are in authority, if further estrangement between the rulers and the ruled is to be prevented. I earnestly trust that such conciliation will be forthcoming. Meanwhile, a special responsibility rests upon us all to see to it that the immediate task that confronts His Excellency is not made more difficult than it already is. The difficulties of the situation are not of Lord Minto's creating, and he has a right to expect the co-operation of both the officials and the public in his endeavours to terminate a state of tension which has already produced deplorable results and which cannot be prolonged without serious detriment to the best interests of the country.

#### LORD CURZON'S ADMINISTRATION.

Gentlemen, how true it is that to everything there is an end! Thus even the Viceroyalty of Lord Curzon has come to a close! For seven long years all eyes had constantly to turn to one masterful figure in the land—now in admiration, now in astonishment, more often in anger and in pain, till at last it has become difficult to realize that a change has really come. For a parallel to such an administration, we must, I think, go back to the times of Aurangazeb in the history of our own country. There we find the same attempt at a rule excessively centralized and intensely personal, the same strenuous purpose, the same overpowering consciousness of duty, the same marvellous capacity for work, the same sense of loneliness, the same persistence in a policy of distrust and repression, resulting in bitter exasperation all round. I think even the most devoted admirer of Lord Curzon cannot claim that he has strengthened the foundations of British rule in India. In some respects his Lordship will always be recognized as one of the greatest Englishmen that ever came out to this country. His wonderful intellectual gifts, his brilliant powers of expression, his phenomenal energy, his boundless enthusiasm for work—these will ever be a theme of just and unstinted praise. But the gods are jealous, and

amidst such lavish endowments, they withheld from him a sympathetic imagination, without which no man can ever understand an alien people; and it is a sad truth that at the end of his administration Lord Curzon did not really understand the people of India. This was at the root of his many inconsistencies and made him a perpetual puzzle to most men. And thus the man, who professed in all sincerity, before he assumed the reins of office, his great anxiety to show the utmost deference to the feelings and even the prejudices of those over whom he was set to rule, ended by denouncing in unmeasured terms not only the present generation of Indians, but also their remote ancestors and even the ideals of their race which they cherish above everything else; he, who, in the early part of his administration, publicly warned the official classes that "official wisdom is not so transcendent as to be superior to the stimulus and guidance of public opinion" and who declared that in the present state of India "the opinion of the educated classes is one which it is not statesmanship to ignore or to despise," ended by trampling more systematically upon that opinion than any of his predecessors, and claiming for his own judgment and that of his official colleagues a virtual character of infallibility. The fact is that Lord Curzon came to India with certain fixed ideas. To him India was a country where the Englishman was to monopolize for all times all power and talk all the while of duty. The Indian's only business was to be governed, and it was a sacrilege on his part to have any other aspiration. In his scheme of things there was no room for the educated classes of the country; and having failed to amuse them for any length of time by an empty show of taking them into his confidence he proceeded in the end to repress them. Even in his last farewell speech at the Byculla Club in Bombay India exists only as a scene of the Englishman's labours, with the toiling millions of the country—eighty per cent. of the population—in the background. The remaining twenty per cent., for aught they are worth, might as well be gently swept into the sea! Had Lord Curzon been less self-centred, had he had more humility in his nature, he might perhaps have discovered his mistake



before it was too late. This would probably have enabled him to avoid giving so much offence and causing so much pain as he unhappily did during the last two years, but I doubt if the main current of his administration would even then have flowed in another channel. Lord Curzon's highest ideal of statesmanship is efficiency of administration. He does not believe in what Mr. Gladstone used to call the principle of liberty as a factor of human progress. He has no sympathy with popular aspirations, and when he finds them among a subject people, he thinks he is rendering their country a service by trying to put them down. Thus in his Byculla Club speech he actually stated that he had not offered political concessions to the people of India, because he "did not regard it as wisdom or statesmanship in the interests of India itself to do so!" Taking Lord Curzon at his highest, we find him engaged in a Herculean attempt to strengthen the Englishman's monopoly of power in India and stem the tide of popular agitation and discontent by rousing the members of the bureaucracy to a sense of duty similar to his own and raising the standard of administrative efficiency all round. The attempt has failed, as it was bound to fail. Never was discontent in India more acute and widespread than when the late Viceroy laid down the reins of office; and as regards the bureaucratic monopoly of power, I think we are sensibly nearer the time when it will be successfully assailed.

One claim Lord Curzon advanced in his farewell speech at Bombay, which it is necessary to examine a little. He told his hearers, as he had done once before—on the occasion of the last Budget debate—that even if he had incurred the hostility of educated Indians, the masses would be grateful to him for what he had done for them. This attempt to distinguish between the interests of the educated classes and those of the bulk of their countrymen is a favourite device with those who seek to repress the legitimate aspirations of our people. It is significant that Lord Curzon had never resorted to it till he had finally broken with the educated classes. We know, of course, that the distinction is unreal and ridiculous, and we know

also that most of those who use it as a convenient means to disparage the educated classes cannot themselves really believe in it. Lord Curzon mentions the reduction of the salt-duty, the writing off of famine arrears, the increased grants to primary education and to irrigation, the attempt at Police reform as measures on which he bases his claim. The suggestion here is that he adopted these measures for the good of the masses in spite of the opposition—at any rate, the indifference—of the educated classes, when the plain fact is that it was the Congress that had been urging these measures year after year on the attention of Government and that it was only after years of persistent agitation that it was able to move the Government in the desired direction. Four years ago, when, with a surplus of seven crores or nearly five millions sterling in hand, the Government of India did not remit any taxation, and I ventured to complain of this in the Council and to urge an immediate reduction of the salt duty, I well remember how Lord Curzon sneered at those who “talked glibly” of the burdens of the masses and of the necessity of lowering the salt-tax as a measure of relief! Lord Curzon was fortunate in coming to India when the currency legislation of Lord Lansdowne and Sir David Barbour had succeeded in artificially raising the rupee to its present level, thereby enabling the Government of India to save about four millions sterling a year on its Home remittances. This, with the recovery of the opium revenue, placed huge surpluses at Lord Curzon’s disposal throughout his administration, and he never knew a moment of that financial stress and anxiety which his predecessors had to face for a series of years. Considering how large these surpluses have been, I do not think the relief given by Lord Curzon to the taxpayers of the country has by any means been liberal. He himself estimated last March the total amount of this relief at 7 millions sterling. He did not mention that during the same time he had taken from the taxpayers 33 millions sterling over and above the requirements of the Government. Again, how paltry is the relief given by the reduction of the salt duty and the writing off of famine arrears compared with the enormous injury done to the mass of our people by the artificial raising of the

value of the rupee, which led to heavy and immediate depreciation of their small savings in silver, and which makes a grievous addition to their permanent burdens by indirectly enhancing their assessments and increasing their debts to the money-lender as prices to adjust themselves to the new rupee! Much has been made of Lord Curzon's increased grants to primary education. Considering how little the State does in India for the education of the masses it would have been astonishing, if with such surpluses Lord Curzon had not made any addition to the educational expenditure of the country. But if he has given a quarter of a million more to education, he has given five millions a year more to the Army; and with reckless profusion he has increased the salaries of European officials in many departments and has created several new posts for them. "A spirit of expenditure," to use an expression of Mr. Gladstone's, has been abroad in all directions during his time, and he has never practised the old-fashioned virtue of economy, with which the real interests of the people are bound up. Of course a ruler cannot labour as devotedly as Lord Curzon has done for seven years for increased efficiency without removing or mitigating important administrative evils; but that is quite different from a claim of championing the special interests of the masses as against their natural leaders and spokesmen, the educated classes of the community.

### PARTITION OF BENGAL.

Gentlemen, the question that is uppermost in the minds of us all at this moment is the Partition of Bengal. A cruel wrong has been inflicted on our Bengalee brethren and the whole country has been stirred to its deepest depths with sorrow and resentment, as has never been the case before. The scheme of partition, concocted in the dark and carried out in the face of the fiercest opposition that any Government measure has encountered during the last half a century, will always stand as a complete illustration of the worst features of the present system of bureaucratic rule—its utter contempt for public opinion, its arrogant pretensions to superior wisdom, its reckless

disregard of the most cherished feelings of the people, the mockery an appeal to its sense of justice becomes, its cool preference of Service interests to those of the governed. Lord Curzon and his advisers—if he ever had any advisers—could never allege that they had no means of judging of the depth of public feeling in the matter. All that could possibly have been done by way of a respectful representation of the views of the people had been done. As soon as it was known that a partition of some sort was contemplated, meeting after meeting of protest was held, till over five hundred public meetings in all parts of the Province had proclaimed in no uncertain voice that the attempt to dismember a compact and homogeneous province, to which the people were passionately attached and of which they were justly proud, was deeply resented and would be resisted to the uttermost. Memorials to the same effect poured in upon the Viceroy. The Secretary of State for India was implored to withhold his sanction to the proposed measure. The intervention of the British House of Commons was sought, first, by a monster petition, signed by sixty thousand people, and later by means of a debate on the subject raised in the House by our ever watchful friend—Mr. Herbert Roberts. All proved unavailing. The Viceroy had made up his mind. The officials under him had expressed approval. What business had the people to have an opinion of their own and to stand in the way? To add insult to injury, Lord Curzon described the opposition to his measure as ‘manufactured’—the opposition in which all classes of Indians, high and low, uneducated and educated, Hindus and Mahomedans, had joined, the opposition than which nothing more intense, nothing more widespread, nothing more spontaneous, had been seen in this country in the whole course of our political agitation! Let it be remembered that when the late Viceroy cast this stigma on those who were ranged against his proposals, not a single public pronouncement in favour of those proposals had been made by any section of the community; and that among the foremost opponents of the measure were men like Sir Jotindra Mohan Tagore and Sir Gurudas Bannerji, Raja Peary Mohan Mukerji and Dr. Rash Behary Ghose, the Maharajas of

Mymensingh and Kassimbazaar—men who keep themselves aloof from ordinary political agitation and never say a word calculated in any way to embarrass the authorities, and who came forward to oppose publicly the Partition project only from an overpowering sense of the necessity of their doing what they could to avert a dreaded calamity. If the opinions of even such men are to be brushed aside with contempt, if all Indians are to be treated as no better than dumb-driven cattle; if men, whom any other country would delight to honour, are to be thus made to realize the utter humiliation and helplessness of their position in their own, then all I can say is "Good-bye to all hope of co-operating in any way with the bureaucracy in the interests of the people!" I can conceive of no graver indictment of British rule than that such a state of things should be possible after a hundred years of that rule!

Gentlemen, I have carefully gone through all the papers which have been published by the Government on this subject of Partition. Three things have struck me forcibly—a determination to dismember Bengal at all costs, an anxiety to promote the interests of Assam at the expense of Bengal, and a desire to suit everything to the interests and convenience of the Civil Service. It is not merely that a number of new prizes have been thrown into the lap of that Service—one Lieutenant-Governorship, two Memberships of the Board of Revenue, one Commissionership of a Division, several Secretaryships and Under-Secretaryships—but alternative schemes of readjustment have been rejected on the express ground that their adoption would be unpopular with the members of the Service. Thus, even if a reduction of the charge of the Lieutenant-Governor of Bengal had really become inevitable—a contention which the greatest living authority on the subject, Sir Henry Cotton, who was Secretary to the Bengal Government under seven Lieutenant-Governors does not admit—one would have thought that the most natural course to take was to separate Behar, Orissa and Chota Nagpore from Bengal and form them into a separate province. This would have made the Western Province one of 30 millions in place of the Eastern. But this, says

the Government of India, "would take from Bengal all its best districts and would make the Province universally unpopular." This was of course a fatal objection, for, compared with the displeasure of the Civil Service the trampling under foot of public opinion and the outraging of the deepest feelings of a whole people was a small matter! But one can see that administrative considerations were really only secondary in the determination of this question. The dismemberment of Bengal had become necessary, because, in the view of the Government of India "it cannot be for the lasting good of any country or any people that public opinion or what passes for it should be manufactured by a comparatively small number of people at a single centre and should be disseminated thence for universal adoption, all other views being discouraged or suppressed." "From every point of view," the Government further states, "it appears to us desirable to encourage the growth of centres of independent opinion, local aspirations, local ideals and to preserve the growing intelligence and enterprise of Bengal from being cramped and stunted by the process of forcing it prematurely into a mould of rigid and sterile uniformity." You will see that this is only a paraphrase, in Lord Curzon's most approved style, of the complaint of the people of Bengal that their fair Province has been dismembered to destroy their growing solidarity, check their national aspirations and weaken their power of co-operating for national ends, lessen the influence of their educated classes with their countrymen, and reduce the political importance of Calcutta. After this, let no apologist of the late Viceroy pretend that the object of the partition was administrative convenience and not political repression!

Gentlemen, it is difficult to speak in terms of due restraint of Lord Curzon's conduct throughout this affair. Having published his earlier and smaller scheme for public criticism, it was his clear duty to publish similarly the later and larger scheme which he afterwards substituted for it. But in consequence of the opposition which the first scheme encountered, he abandoned the idea of taking the public any more into his confidence and proceeded to

work in the matter in the dark. For more than a year nothing further was heard of his intentions, and while he was silently elaborating the details of his measure, he allowed the impression to prevail that the Government had abandoned the partition project. And in the end, when he had succeeded in securing the Secretary of State's sanction to the scheme, it was from Simla, where he and his official colleagues were beyond the reach of public opinion, that he sprang the final orders of Government upon an unprepared people. Then suddenly came his resignation. And the people permitted themselves for a while to hope that it would bring them at least a brief respite, especially as Mr. Brodrick had promised shortly before to present further papers on the subject to Parliament, which was understood to mean that the scheme would not be brought into operation till Parliament re-assembled at the beginning of next year. Of course, after his resignation, the only proper, the only dignified, course for Lord Curzon was to take no step which it was difficult to revoke and the consequences of which would have to be faced not by him, but by his successor; he owed it to Lord Minto to give him an opportunity to examine the question for himself; he owed it to the Royal visitors not to plunge the largest Province of India into violent agitation and grief on the eve of their visit to it. But Lord Curzon was determined to partition Bengal before he left India, and so he rushed the necessary legislation through the Legislative Council at Simla, which only the official members could attend, and enforced his orders on 16th October last—a day observed as one of universal mourning by all classes of people in Bengal. And now, while he himself has gone from India, what a sea of troubles he has bequeathed to his successor! Fortunately, there are grounds to believe that Lord Minto will deal with the situation with tact, firmness, and sympathy, and it seems he has already pulled up to some extent Lord Curzon's favourite Lieutenant, the first ruler of the new Eastern Province. Mr. Fuller has evidently cast to the winds all prudence, all restraint, all sense of responsibility. Even if a fraction of what the papers have been reporting be true, his extraordinary doings must receive the attention of the new

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Secretary of State for India and the House of Commons. There is no surer method of goading a docile people into a state of dangerous despair than the kind of hectoring and repression he has been attempting.

But, gentlemen, as has been well said, even in things evil there is a soul of goodness, and the dark times through which Bengal has passed and is passing, have not been without a message of bright hope for the future. The tremendous upheaval of popular feeling which has taken place in Bengal in consequence of the partition, will constitute a landmark in the history of our national progress. For the first time since British rule began, all sections of the Indian community, without distinction of caste or creed, have been moved, by a common impulse and without the stimulus of external pressure, to act together in offering resistance to a common wrong. A wave of true national consciousness has swept over the Province and, at its touch, old barriers have, for the time at any rate, been thrown down, personal jealousies have vanished, other controversies have been hushed! Bengal's heroic stand against the oppression of a harsh and uncontrolled bureaucracy has astonished and gratified all India, and her sufferings have not been endured in vain, when they have helped to draw closer all parts of the country in sympathy and in aspiration. A great rush and uprising of the waters such as has been recently witnessed in Bengal cannot take place without a little inundation over the banks here and there. Those little excesses are inevitable when large masses of men move spontaneously—especially when the movement is from darkness into light, from bondage towards freedom—and they must not be allowed to disconcert us too much. The most astounding fact of the situation is that the public life of this country has received an accession of strength of great importance, and for this all India owes a deep debt of gratitude to Bengal. Of course the difficulties which confront the leaders of Bengal are enormous and perhaps they have only just begun. But I know there is no disposition to shrink from any responsibilities, and I have no doubt that whatever sacrifices are necessary will be cheerfully made. All India is at their



back, and they will receive in the work that lies before them the cordial sympathy and assistance of the other Provinces. Any discredit that is allowed to fall on them affects us all. They on their side must not forget that the honour of all India is at present in their keeping.

#### THE SWADESHI MOVEMENT.

Gentlemen, I will now say a few words on a movement which has spread so rapidly and has been hailed with so much enthusiasm all over the country during the last few months—the *Swadeshi* movement. It is necessary, at the outset, to distinguish it from another movement started in Bengal, which has really given it such immense impetus—the boycott of British goods. We all know that when our Bengalee brethren found that nothing would turn the late Viceroy from his purpose of partitioning Bengal, that all their protests in the Press and on the platform, all their memorials to him, to the Secretary of State and to Parliament were unavailing, that the Government exercised its despotic strength to trample on their most cherished feelings and to injure their dearest interests and that no protection against this of any kind was forthcoming from any quarter, they, in their extremity, resolved to have recourse to this boycott movement. This they did with a twofold object—first as a demonstration of their deep resentment at the treatment they were receiving, and, secondly, to attract the attention of the people in England to their grievances, so that those who were in a position to call the Government of India to account might understand what was taking place in India. It was thus as a political weapon, used for a definite political purpose, that they had recourse to the boycott; and in the circumstances of their position they had every justification for the step they took. And I can tell you from personal experience that their action has proved immensely effective in drawing the attention of English people to the state of things in our country. But a weapon like this must be reserved only for extreme occasions. There are obvious risks involved in its failure and it cannot be used with sufficient effectiveness, unless there is an extraordinary upheaval of popular feeling behind it. It is bound to rouse angry passions on

the other side, and no true well-wisher of his country will be responsible for provoking such passions, except under an overpowering sense of necessity. On an extreme occasion, of course, a boycotting demonstration is perfectly legitimate, but that occasion must be one to drive all the classes, as in Bengal, to act with one impulse, and make all leaders sink their personal differences in the presence of a common danger. It is well to remember that the term 'boycott,' owing to its origin, has got unsavoury associations, and it conveys to the mind before everything else a vindictive desire to injure another. Such a desire on our part, as a normal feature of our relations with England, is, of course, out of the question. Moreover, if the boycott is confined to British goods only, it leaves us free to purchase the goods of other foreign countries, and this does not help the *Swadeshi* movement in any way.

Gentlemen, the true *Swadeshi* movement is both a patriotic and an economic movement. The idea of *Swadeshi* or 'one's own country' is one of the noblest conceptions that have ever stirred the heart of humanity. As the poet asks—

Breathes there the man with soul so dead,  
Who never to himself hath said,—  
This is my own, my native land !

The devotion to mother-land, which is enshrined in the highest *Swadeshi*, is an influence so profound and so passionate that its very thought thrills and its actual touch lifts one out of oneself. India needs to-day above everything else that the gospel of this devotion should be preached to high and low, to prince and to peasant, in town and in hamlet, till the service of mother-land becomes with us as overmastering a passion as it is in Japan. The *Swadeshi* movement, as it is ordinarily understood, presents one part of this gospel to the mass of our people in a form which brings it within their comprehension. It turns their thoughts to their country, accustoms them to the idea of voluntarily making some sacrifice for her sake, enables them to take an intelligent interest in her economic development and teaches them the important lesson of co-operating with one another

for a national end. All this is most valuable work and those who undertake it are entitled to feel that they are engaged in a highly patriotic mission. But the movement on its material side is an economic one; and though self-denying ordinances, extensively entered into, must serve a valuable economic purpose, namely, to ensure a ready consumption of such articles as are produced in the country and to furnish a perpetual stimulus to production by keeping the demand for indigenous things largely in excess of the supply, the difficulties that surround the question economically are so great that they require the co-operation of every available agency to surmount them. The problem is, indeed, one of the first magnitude. Twelve years ago, the late Mr. Ranade remarked at an Industrial Conference held at Poona:—"The political domination of one country by another attracts far more attention than the more formidable, though unfelt domination, which the capital, enterprise and skill of one country exercise over the trade and manufactures of another. This latter domination has an insidious influence which paralyzes the springs of all the varied activities, which together make up the life of a nation." The question of produce is a question of capital, enterprise and skill, and in all these factors our deficiency at present is very great. Whoever can help in any one of these fields is, therefore, a worker in the Swadeshi cause and should be welcomed as such. Not by methods of exclusion but by those of comprehension, not by insisting on every one working in the same part of the field but by leaving each one free to select his own corner, by attracting to the cause all who are likely to help and not alienating any who are already with us, are the difficulties of the problem likely to be overcome. Above all, let us see to it that there are no fresh divisions in the country in the name of Swadeshism. No greater perversion of its true spirit could be imagined than that.

Take the question of cotton piece-goods, of which we import at present over 22 millions sterling worth a year. This is by far the heaviest item among our imports and our present Swadeshi agitation is directed mainly towards producing as much of these goods in our own country as

possible. I have consulted three of the best experts available in India on this subject—Mr. Bezanji of Nagpore, the right-hand man of the late Mr. Tata in mill matters, the Hon. Mr. Vithaldas Damodardhas, who has written an admirable paper on the Cotton Industry for the Industrial Conference and has kindly placed a copy of it at my disposal, and our friend Mr. Wacha. They are all agreed about the requirements and the difficulties of the situation. So far as the cotton fabrics are concerned, even strict Free Traders should have nothing to say against the encouragement which the Swadeshi movement seeks to give to their manufacture in India. In the first place, many of the usual objections that may be urged against a system of State protection do not apply to helpful voluntary action on the part of consumers, such as the Swadeshi movement endeavours to promote. Moreover, the essence of Free Trade is that a commodity should be produced where the comparative cost of its production is the least and that it should be consumed where its relative value is the highest; and if accidental circumstances have thwarted such an adjustment in a given case, any agency which seeks to overcome the impediment works in the end in the interests of true Free Trade. Now everyone will admit that with cheap labour and cotton at her own door, India enjoys exceptional advantages for the manufacture of cotton goods; and if the Swadeshi movement helps her to regain her natural position in this respect—a position which she once occupied but out of which she has been driven by an extraordinary combination of circumstances—the movement works not against but in furtherance of true Free Trade. Even at present the cotton industry in India is an important one. It is the largest industry after agriculture in the country; it is also the only one—agriculture excepted—in which the Indians themselves have a substantial share. It is represented by a paid-up capital of about 17 crores of rupees or a little over 11 millions sterling, the number of mills being about 200, with five million spindles and fifty thousand power-looms. In addition to this, there are, according to the census of 1901, about a quarter of a million persons engaged in hand-loom weaving in the country. Our mills consume nearly 60 per

cent. of the cotton produce of India and produce 58 crore lbs. of yarn. Of this quantity, Mr. Vithaldas tells us, about  $23\frac{1}{2}$  crore lbs. is exported to China and other foreign countries, about  $13\frac{1}{2}$  crore lbs. is used in our weaving mills and about 19 crore lbs. is woven by hand-loom weavers, the remaining 2 crore lbs. going to the manufacture of rope and twine. In addition to this, 3 crore lbs. of yarn is imported from the United Kingdom, and is consumed by the hand-looms. The hand-loom industry of the country thus absorbs, in spite of its hard struggles, about 22 crore lbs. of yarn, or nearly double the quantity woven by power-looms, and this is a most interesting and significant fact. The yarn used by the weaving mills produces about 55 crores of yards of cloth, of which about 14 crore yards is exported to foreign countries and about 41 crores is left for consumption in the country. If we put down the production of the hand-looms at about 90 crore yards, we have about 130 crore yards as the quantity of Swadeshi cloth consumed at present in India.

The quantity of piece-goods imported from the United Kingdom and retained for use in the country is about 20½ crore yards a year. Of the total cloth consumed, therefore, over one-third is at present Swadeshi. This is an encouraging feature of the situation. But the imported cloth is almost all superior in quality. "While our mills," Mr. Vithaldas says, "produce the coarser cloth, say, from yarn up to 30's count and in a few cases up to 40's, the bulk of the imported cloth is of the finer quality, using yarn over 30's count. The Indian weaving mills are obliged to restrict themselves for the most part to weaving coarser cloth owing to the inferior quality of cotton now grown in the country." It may be noted that even from existing cotton, hand-looms can, owing to their greater delicacy of handling the yarn, produce finer cloth than the power-looms. Fortunately, owing to the exertions of the Agricultural Department of the Bombay Government—exertions for which it is entitled to the best thanks of the whole country—Egyptian cotton has just been successfully introduced into Sind and this year a thousand bales of a quality equal to

very good Egyptian have been produced. A much heavier crop is expected next year and there is no doubt that its cultivation will rapidly extend. The main difficulty in the way of our manufacturing the quality of cloth that is at present imported is one of capital. Mr. Wacha estimates that if the whole quantity of 205 crore yards is to be produced by mills, the industry requires an additional capital of about 30 crores of rupees. Even if we proposed to spread this over ten years, we should require an addition of 3 crores of rupees every year. Now if we turn to the Statistical Abstract of British India, we shall find that the total increase in the capital invested in cotton mills during the last ten years has been only about 3 crores for ten years, an amount that Mr. Wacha wants every year. The normal development of the mill industry is thus plainly unequal to the requirements of the situation. Moreover, it is well to remember what Mr. Bezanji says that the present mill-owners must not be expected to be very keen about the production of finer cloth, because its manufacture is much less paying than that of the coarser cloth. This is due to various causes, the principal one among them being that English capital, similarly invested, is satisfied with a smaller range of profits. Capital from other quarters must, therefore, be induced to come forward and undertake this business. If we again turn to the Statistical Abstract, we shall find that our people hold about 50 crores of rupees in Government Securities and about 11 crores in Postal Savings Banks. The private deposits stand at about 33 crores of rupees, but there are no means of ascertaining how much of the amount is held by Indians. Considering the extent of the country and the number of the population, these resources are, of course, extremely meagre. Still they might furnish some part of the capital needed. In this connection may I say that a special responsibility now rests in the matter on the aristocracy of Bengal! And this is not merely because the Swadeshi movement is being so vigorously advocated in their Province, but also because, owing to the Permanent Settlement of Bengal, they are enabled to enjoy resources, which in other parts of India, are swept into the coffers of the State. If sufficient capital is forthcoming, Mr. Bezanji's patriotism

may, I am sure, be relied on to secure for the undertaking whatever assistance his great capacity and unrivalled knowledge can give. It must, however, be admitted that capital will come forward only cautiously for this branch of the business. But the hand-loom is likely to prove of greater immediate service. Mr. Vithaldas looks forward to a great revival of the hand-loom industry in the country, and I cannot do better than quote what he says on this point in his paper: "The village industry," he says, "gives means of livelihood not only to an immense number of the weaver class, but affords means of supplementing their income to agriculturists—the backbone of India—who usually employ themselves on hand-loom when field work is unnecessary, and also when, owing to famine, drought or excessive rains, agricultural operations are not possible. Now the apparatus with which they work is nearly two centuries behind the times. Mr. Havell, Principal of the Calcutta School of Arts, Mr. Chatterton of the Madras School of Arts, and Mr. Churchill of Bangalore, along with many others, are doing yeoman's service by taking keen interest in the question of supplying economical and improved apparatus to the hand-loom weavers. Mr. Havell has pointed out that in preparing the work our hand-loom weavers are incapable of winding more than two threads at a time, though the simplest mechanical device would enable them to treat 50 or 100 threads simultaneously. The latest European hand-loom which successively competes with the power-loom in Cairo and in many places in Europe, can turn out a maximum of 68 yards of common cloth in a day. Mr. Havell is satisfied that the greater portion of the imported cotton cloth can be made in the Indian hand-loom with great profit to the whole community. The question of the immediate revival of the hand-loom weaving industry on a commercial basis demands the most earnest attention of every well-wisher of India and evidence gives promise of a successful issue to efforts put forward in this direction." The outlook here is thus hopeful and cheering; only we must not fail to realize that the co-operation of all who can help—including the Government—is needed to overcome the difficulties that lie in the path.

## OUR AIMS AND ASPIRATIONS.

Gentlemen, this is the twenty-first session of the Indian National Congress. Year after year, since 1885, we have been assembling in these gatherings to give voice to our aspirations and to formulate our wants. When the movement was first inaugurated, we were under the influence of that remarkable outburst of enthusiasm for British rule, which had been evoked in the country by the great Viceroyalty of the Marquis of Ripon. The best beloved of India's Viceroys was not content to offer mere lip-homage to the principle that righteousness alone exalteth a nation. He had dared to act on it in practice and he had braved persecution at the hands of his own countrymen in India for its sake. Lord Ripon's noblest service to this country was that he greatly quickened the processes by which the consciousness of a national purpose comes to establish itself in the minds of a people. The Congress movement was the direct and immediate outcome of this realization. It was started to focus and organize the patriotic forces that were working independently of one another in different parts of the country so as to invest their work with a national character and to increase their general effectiveness. Hope at that time was warm and faith shone bright, largely as a result of Lord Ripon's Viceroyalty, and those who started the Congress believed that, by offering their criticism and urging their demands from a national platform where they could speak in the name of all India, they would be able to secure a continuous improvement of the administration and a steady advance in the direction of the political emancipation of the people. Twenty years have since elapsed, and during the time much has happened to chill that hope and dim that faith, but there can be no doubt that work of great value in our national life has already been accomplished. The minds of the people have been familiarized with the idea of a united India working for her salvation; a national public opinion has been created; close bonds of sympathy now knit together the different Provinces; caste and creed separations hamper less and less the pursuit of common aims; the dignity of a consciousness of national existence has spread over the whole land. Our record of political



concessions won is, no doubt, very meagre, but those that have been secured are of considerable value; some retrogression has been prevented; and if latterly we have been unable to stem the tide of reaction, the resistance we have offered, though it has failed of its avowed purpose, has substantially strengthened our public life. Our deliberations have extended over a very wide range of problems; public opinion in the country is, in consequence, better informed, and the Press is steadily growing in authority and usefulness. Above all, there is a general perception now of the goal towards which we have to strive and a wide recognition of the arduous character of the struggle and the immense sacrifices it requires.

The goal of the Congress is that India should be governed in the interests of the Indians themselves, and that, in course of time, a form of Government should be attained in this country similar to what exists in the Self-Governing Colonies of the British Empire. For better, for worse, our destinies are now linked with those of England, and the Congress freely recognises that whatever advance we seek must be within the Empire itself. That advance, moreover, can only be gradual, as at each stage of the progress it may be necessary for us to pass through a brief course of apprenticeship before we are enabled to go to the next one; for it is a reasonable proposition that the sense of responsibility, required for the proper exercise of the political institutions of the West, can be acquired by an Eastern people through practical training and experiment only. To admit this is not to express any agreement with those who usually oppose all attempts at reform on the plea that the people are not ready for it. "It is liberty alone," says Mr. Gladstone in words of profound wisdom, "which fits men for liberty. This proposition, like every other in politics, has its bounds; but it is far safer than the counter doctrine, wait till they are fit." While, therefore, we are prepared to allow that an advance towards our goal may be only by reasonably cautious steps, what we emphatically insist on is that the resources of the country should be primarily devoted to the work of qualifying the people by means of education and in other ways for such advance.

Even the most bigoted champion of the existing system of administration will not pretend that this is in any degree the case at present. Our net revenue is about 44 millions sterling. Of this very nearly one-half is now eaten up by the Army. The Home Charges, exclusive of their military portion, absorb nearly one-third. The two, between them, account for about 34 millions out of 44. Then over 3 millions are paid to European officials in civil employ. This leaves only about 7 millions at the disposal of the Government to be applied to other purposes. Can any one, who realises what this means, wonder that the Government spends only a miserable three-quarters of a million out of State funds on the education of the people—primary, secondary and higher, all put together! Japan came under the influence of Western ideas only forty years ago, and yet already she is in a line with the most advanced nations of the West in matters of mass education, the State finding funds for the education of every child of school-going age. We have now been a hundred years under England's rule, and yet to-day four villages out of every five are without a school-house and seven children out of eight are allowed to grow up in ignorance and in darkness? Militarism, Service interests and the interests of English capitalists—all take precedence to-day of the true interests of the Indian people in the administration of the country. Things cannot be otherwise, for it is the government of the people of one country by the people of another and this, as Mill points out, is bound to produce great evils. Now the Congress wants that all this should be governed, first and foremost, in the interests of the Indians themselves. This result will be achieved only in proportion as we obtain more and more voice in the government of our country. We are prepared to bear—and bear cheerfully—our fair share of the burdens of the Empire, of which we are now a part, but we want to participate in the privileges also, and we object most strongly to being sacrificed, as at present, in order that others may prosper. Then the Congress asks for a redemption of those promises for the equal treatment of Indians and Englishmen in the government of this country, which have been so solemnly given us by the Sovereign and the

Parliament of England. It is now three-quarters of a century since the Parliament passed an Act, which, the Court of Directors pointed out, meant that there was to be no governing caste in India. The governing caste, however, is still as vigorous, as exclusive as ever. Twenty-five years later as the late Queen-Empress addressed a most memorable Proclamation to the princes and people of India. The circumstances connected with the issue of that Proclamation and its noble contents will always bear witness to the true greatness of that great Sovereign and will never cease to shed lustre on the English name. The Proclamation repeats the pledges contained in the Charter Act of 1833, and though an astounding attempt was made less than two years ago by the late Viceroy to explain away its solemn import, the plain meaning of the royal message cannot be altered without attributing what is nothing less than an unworthy subterfuge to a Sovereign, the deep reverence for whose memory is an asset of the Empire. That the Charter Act of 1833 and the Queen's Proclamation of 1858 have created in the eyes of reactionary rulers a most inconvenient situation is clear from a blunt declaration which another Viceroy of India, the late Lord Lytton, made in a confidential document and which has since seen the light of day. Speaking of our claims and expectations based on the pledges of the Sovereign and the Parliament of England, he wrote:—"We all know that these claims and expectations never can or will be fulfilled. We have had to choose between prohibiting them (the natives of India) and cheating them, and we have chosen the least straightforward course. . . . Since I am writing confidentially, I do not hesitate to say that both the Government of England and of India appear to me up to the present moment unable to answer satisfactorily the charge of having taken every means in their power of breaking to the heart the words of promise they had uttered to the ear." We accept Lord Lytton as an unimpeachable authority on the conduct of the Government in evading the fulfilment of the pledges. We deny his claim to lay down that our "claims and expectations never can or will be fulfilled."

Our whole future, it is needless to say, is bound up with this question of the relative position of the two races in this country. The domination of one race over another—especially when there is no great disparity between their intellectual endowments of their general civilization—inflicts great injury on the subject race in a thousand insidious ways. On the moral side, the present situation is steadily destroying our capacity for initiative and dwarfing us as men of action. On the material side, it has resulted in a fearful impoverishment of the people. For a hundred years and more now India has been for members of the dominant race a country where fortunes were to be made to be taken out and spent elsewhere. As in Ireland, the evil of absent landlordism has in the past aggravated the racial domination of the English over the Irish, so in India what may be called absentee capitalism has been added to the racial ascendancy of Englishmen. A great and ruinous drain of wealth from the country has gone on for many years, the net excess of exports over imports (including treasure) during the last forty years amounting to no less than a thousand millions sterling. The steady rise in the death-rate of the country—from 24 per thousand, the average for 1882-84, to 30 per thousand, the average for 1892-94, and 34 per thousand, the present average—is a terrible and conclusive proof of this continuous impoverishment of the mass of our people. India's best interests—material and moral—no less than the honour of England, demand that the policy of equality for the two races promised by the Sovereign and by Parliament should be faithfully and courageously carried out.

#### THE BUREAUCRACY.

Gentlemen, as I have already observed, the manner in which the Partition of Bengal has been carried out furnishes striking illustration of the worst features of the present system of bureaucratic rule. Happily these features are not always so conspicuously in evidence. No one also denies that a large proportion of the members of the bureaucracy bring to their work a high level of ability, a keen sense of duty and a conscientious desire, within the

limits of the restricted opportunities permitted by the predominance of other interests, to do what good they can to the people. It is the system that is really at fault—a system which relegates the interest of the people to a very subordinate place and which, by putting too much power into the hands of these men, impairs their sense of responsibility and develops in them a spirit of intolerance of criticism. I know many of these men are on their side constantly smarting under a sense of unfair condemnation by our countrymen. They fail to realize that if the criticism that is passed on their actions is sometimes ill-informed and even unjust, this is largely due to the veil of secrecy which carefully hides official proceedings from the view of the people in India. Moreover, theirs are at present all the privileges of the position and they must bear without impatience or bitterness its few disadvantages. I have already said that our advance towards our goal can only be gradual. Meanwhile, there is a great deal of work to be done for the country in which officials and non-officials could join hands. A considerable part of the way we could both go together, but it can only be on terms consistent with the self-respect of either side. In old times, when British rule was new and its higher standards and its more vigorous purposes excited general admiration, the Englishman's claim to a privileged position, even outside the sphere of official duties, was allowed to pass unchallenged. That is now no longer possible, and those officials, who expect the Indians to approach them with bated breath and whispering humbleness—and the type is not confined to the new Eastern Province exclusively—not only make useful relations between the two sides impossible, but do more harm to their own class than they imagine. In one respect, the gulf between the official and educated classes of the country is bound to widen more and more every day. The latter now clearly see that the bureaucracy is growing frankly selfish and openly hostile to their national aspirations. It was not so in the past. In a most remarkable letter which I had the honour to receive, while in England two months ago, from Mr. Hodgson Pratt—a great and venerated name among all lovers of peace—he tells us with what object Western education was introduced into this

country. "Fifty years ago," writes Mr. Pratt, who in those days was a member of the Bengal Civil Service, "while India was still under the Government of the East India Company, it was considered both just and wise to introduce measures for national education on a liberal scale, with adequate provision of schools, colleges, and universities. This event was hailed with lively satisfaction by the native population as heralding a new era of social progress, and as satisfying the active intelligence of the Hindus. Now it must be observed that the character of the teaching thus inaugurated by Englishmen would necessarily reflect the ideals which have for centuries prevailed among them. In other words Indian youths would be brought up to admire our doctrines of political liberty, popular rights, and national independence; nor could it ever have been supposed that these lessons would fall upon deaf ears and cold hearts. On the contrary, the inevitable result of such teaching was clearly perceived by the Government of those days, and was regarded in a generous spirit. In support of this assertion I may mention that at the time of the inauguration of these measures I accompanied the then Lieutenant-Governor of Bengal (Sir Frederick Halliday) on one of his winter tours through the province. Naturally, he called the attention of those who attended the public meetings held by him to the new education policy, and he always took occasion to declare that the schools would promote one of the leading purposes of British rule, *which was to prepare the people for self-government*. It certainly was not supposed that at any subsequent time a policy would be adopted, which would disappoint the legitimate hopes thus created." Now, however, that the time has come for the bureaucracy to part with some of its power in favour of the educated classes, all kinds of excuses are brought forward to postpone what is no doubt regarded as the evil day. One favourite argument is that the educated classes are as yet only a very small fraction of the community. The hollowness of this plea was well exposed by the late Mr. George Yule in his address as President of our National Congress in 1888. Quoting Prof. Thorold Rogers, he pointed out that a hundred years ago, not one

man in ten or one woman in twenty knew how to read and write in England. Going another century or two back, he added, the people of England, man and boy, high and low, with the exception of a mere handful, were steeped in the grossest ignorance, and yet there was a House of Commons. We have now in this country about 15 million people who can read and write, and about a million of these have come under the influence of some kind of English education. Moreover, what we ask for at present is a voice in the government of the country, not for the whole population, but for such portion of it as has been qualified by education to discharge properly the responsibilities of such association. Another argument brought forward in favour of maintaining the present bureaucratic monopoly of power is that though the educated classes make a grievance of it, the mass of the people are quite indifferent in the matter. Now, in the first place, this is not true. However it may suit the interests of the officials to deny the fact, the educated classes are, in the present circumstances of India, the natural leaders of the people. Theirs is the Vernacular Press, the contents of which do not fail to reach the mass of our population; in a hundred ways they have access to the minds of the latter; and what the educated Indians think to-day, the rest of India thinks to-morrow. Moreover, do the officials realise how their contention condemns their rule out of their own mouths? For it means that only so long as the people of India are kept in ignorance and their faculties are forced to lie dormant, that they do not raise any objection to the present system of administration. The moment education quickens those faculties and clears their vision, they range themselves against a continuance of the system!

#### OUR IMMEDIATE DEMANDS.

Gentlemen, a number of important questions will come up before you for discussion during the next two days, and following the practice of previous Congresses, you will, no doubt, record after due deliberation, your views on them in the form of resolutions. This is, of course, necessary; but may I suggest that, for purposes of effective agitation in the immediate future, we should now

concentrate our main energies on certain selected portions of our programme ? Speaking broadly, most of the reforms that we have been advocating may be grouped under four heads :—(1) Those which aim at securing for our people a larger and larger share in the administration and control of our affairs ; these include a reform of our Legislative Councils, the appointment of Indians to the Secretary of State's Council and the Executive Councils in India, and a steady substitution of the Indian for the European agency in the public service of the country ; (2) those which seek to improve the methods of administration, such as the separation of Judicial from Executive functions, Police Reform, and similar proposals ; (3) those which propose a readjustment of financial arrangements with the object of securing a reduction of the burdens of the tax-payers and a more efficient application of our resources ; under this head come a reduction of military charges, the moderating of land assessments and so forth ; and (4) those which urge the adoption of measures calculated to improve the condition of the mass of the people ; these include a vigorous extension of primary education, facilities for industrial and technical instruction, grants for improved sanitation, and a real attempt to deal with the alarming indebtedness of the peasantry. Now what I would most earnestly and respectfully suggest is that we should select from each group such reforms as may be immediately urged with the greatest effect and press them forward in this country and in England with all the energy we can command. In my humble opinion, our immediate demands should be :—(1) A reform of our Legislative Councils, *i.e.*, raising the proportion of elected members to one-half, requiring the budgets to be formally passed by the Councils, and empowering the members to bring forward amendments, with safeguards for bringing the debates to a close in a reasonable time. The Presidents of the Councils should have the power of veto. The Viceroy's Legislative Council consists at present of 25 members, of whom only five are elected, one by the Chamber of Commerce of Calcutta—a body of Europeans—and the other four by four provinces. We must ask for the proportion of elected members to be now raised to 12. Of this number



one seat might be given to commerce and one to certain industries, and the remaining ten should be assigned to different provinces, two to each of the three older provinces, and one each to the remaining. And, to begin with, the right of members to move amendments may be confined to one amendment each. The two members for commerce and industries will generally be Europeans, and they will ordinarily vote with Government. Thus even if all the ten provincial members voted together, they would be only 10 out of 25. Ordinarily they will not be able to carry a motion against the Government, but on exceptional occasions they may obtain the support of two or three men from the other side, and then the moral effect of the situation will be considerable. In the Provincial Legislative Councils, we must have an increase in the number of members, each district of a province being empowered to send a member. The objection that these bodies will, in that case, be somewhat unwieldy is not entitled to much weight.

(2) The appointment of at least three Indians to the Secretary of State's Council, to be returned, one each, by the three older provinces.

(3) The creation of Advisory Boards in all Districts throughout India, whom the heads of districts should be bound to consult in important matters of administration concerning the public before taking action. For the present, their functions should be only advisory, the Collectors or District Magistrates being at liberty to set aside their advice at their discretion. Half the members of a Board should be elected representatives of the different Talukas or sub-divisions of the district, and the other half should consist of the principal District Officers and such non-official gentlemen as the head of the district may appoint. These Boards must not be confounded with what are known as District Local Boards. There is, at present, too much of what may be called Secretariat rule with an excessive multiplication of central departments. District administration must be largely freed from this, and reasonable opportunities afforded to the people con-

cerned to influence its course, before final decisions are arrived at. If such Boards are created, we may, in course of time, expect them to be entrusted with some real measure of control over the district administration. The late Mr. Ranade used to urge the importance of such Boards very strongly. If ever we are to have real local Government in matters of general administration, the creation of these Boards will pave the way for it. One great evil of the present system of administration is its secrecy. This will be materially reduced, so far as district administration is concerned, by the step proposed.

(4) The recruitment of the judicial branch of the Indian Civil Service from the legal profession in India.

(5) The separation of Judicial and Executive functions.

(6) A reduction of military expenditure.

(7) A large extension of primary education.

(8) Facilities for industrial and technical education.

(9) An experimental measure to deal with the indebtedness of the peasantry over a selected area. I think, gentlemen, if we now concentrate all our energies on some such programme, we may within a reasonable time see results which will not be altogether disappointing. One thing is clear. The present is a specially favourable juncture for such an effort. In our own country, there is sure to be a great rebound of public opinion after the repression to which it has been subjected during the last three years. And in England, for the first time since the Congress movement began, the Liberal and Radical party will come into real power. My recent visit to England, during which I enjoyed somewhat exceptional opportunities to judge of the situation, has satisfied me that a strong current has already set in there against that narrow and aggressive Imperialism, which only the other day seemed to be carrying everything before it. The new Prime Minister is a tried and trusted friend of freedom. And as regards the new Secretary of State for India, what shall I say? Large numbers of educated men in this country

feel towards Mr. Morley as towards a Master, and the heart hopes and yet it trembles, as it had never hoped or trembled before. He, the reverent student of Burke, the disciple of Mill, the friend and biographer of Gladstone—will he courageously apply their principles and his own to the Government of the country, or will he too succumb to the influences of the India Office around him, and thus cast a cruel blight on hopes, which his own writings have done so much to foster? We shall see; but in any case his appointment, as Secretary of State for India, indicates how strongly favourable to our cause the attitude of the new Ministry is. Mr. Ellis, the new Under-Secretary of State for India, is openly known to be a friend of our aspirations. A more gratifying combination of circumstances could not be conceived, and it now rests with us to turn it to the best advantage we can for our mother-land.

#### CONCLUSION.

Gentlemen, one word more and I have done. I have no wish to underrate the difficulties that lie in our path, but I am convinced more than ever that they are not insuperable. Moreover, the real moral interest of a struggle, such as we are engaged in, lies not so much in the particular readjustment of present institutions which we may succeed in securing, as in the strength that the conflict brings us to be a permanent part of ourselves. The whole life of a people, which is broader and deeper than what is touched by purely political institutions, is enriched even by failures, provided the effort has been all that it should be. For such enrichment the present struggle is invaluable. "The true end of our work," said Mr. Ranade nine years ago, "is to renovate, to purify, and also to perfect the whole man by liberating his intellect, elevating his standard of duty, and developing to the full all his powers. Till so renovated, purified, and perfected, we can never hope to be what our ancestors once were—a chosen people, to whom great tasks were allotted and by whom great deeds were performed. Where this feeling animates the worker, it is a matter of comparative indifference in what particular direction it asserts itself and in what particular method it proceeds to

work. With a liberated manhood, with buoyant hope, with a faith that never shirks duty, with a sense of justice that deals fairly by all, with unclouded intellect and powers fully cultivated, and, lastly, with a love that overleaps all bounds, renovated India will take her proper rank among the nations of the world, and be the master of the situation and of her own destiny. This is the goal to be reached—this is the promised land. Happy are they, who see it in distant vision; happier those who are permitted to work and clear the way on to it; happiest they, who live to see it with their eyes and tread upon the holy soil once more. Famine and pestilence, oppression, and sorrow, will then be myths of the past, and the gods will once again descend to the earth and associate with men, as they did in times which we now call mythical.” Gentlemen, I can add nothing that may be worthy of being placed by the side of these beautiful words. I will only call to your minds the words of another great teacher of humanity who asks us to keep our faith in spite of trying circumstances and warns us against the presumption of despairing, because we do not see the whole future clearly before our eyes :—

Our times are in His hand  
Who saith ' A whole I planned,  
Youth shows but half ; trust God ; see all, nor be afraid.

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## THE REFORM PROPOSALS.

*[At the Twenty-Third Session of the Indian National Congress held in Madras, Mr. Gokhale spoke as follows :—]*

Mr. President, Ladies and Gentlemen,—I beg to submit for your acceptance the following Resolutions :—

(a) That the following message be addressed by the Congress to Mr. A. O. Hume ;

This Congress sends you its cordial greetings and congratulations. The reforms announced by Lord Morley are a partial fruition of the efforts made by the Congress during the last twenty-three years, and we are gratified to think that to you as its father and founder they must be the source of great and sincere satisfaction.

(b) The Congress offers its sincere congratulations to Sir William Wedderburn on his recent recovery from his serious illness and takes this opportunity to give expression to the unflagging zeal, devotion, love and singleness of purpose with which he has laboured for the Indian cause during the last 20 years and which has been largely instrumental in securing for Congress views and representations the favourable considerations which they have received in England.

(c) This Congress desires to convey to the members of the British Committee its grateful thanks for their disinterested and strenuous services to the cause of Indian political advancement.

It has been the usual practice of this Congress year after year to record before the close of its proceedings its appreciation of the work which the British Committee has been doing for us in England. This year, however, in addition to that usual vote of thanks to the British Committee we propose to have two other Resolutions, one addressed to Mr. Hume and the other addressed to Sir

William Wedderburn. As regards the Committee I do not think I need say very much. The Committee has done during this year the same useful work that it has been doing in the past. It is true that during this year it has had to work under certain disadvantages. In the first place it was deprived of the assistance and the watchful care which it received in the past from Dadabhai Naoroji, the foremost Indian of our time (hear, hear), the man without self and without stain, our aged chief who bears on his head the snow of years but carries in his heart the fire of youth. (Cheers.) Then Gentlemen, Sir William Wedderburn who has been the heart and soul of the British Committee since its formation, was prevented from giving that close and personal attention to the affairs of the Committee which he gave in the past owing to serious illness, and his place as Chairman was temporarily occupied by Sir Henry Cotton, and the work of the Committee was carried on by Sir Henry and the other members as usual. Our first duty, therefore, in this Congress is to tender our thanks to the Committee for the vigour and the vigilance with which they have pushed on the Indian cause in England. Having done that, we turn to those two Englishmen, our foremost friends in England. The first clause is about Mr. Hume. Now we all know that Mr. Hume founded this Congress. (Cheers.) We all know with what loving care he watched over it in the early years of its growth, and when he was later prevented by declining health from taking the same active interest in its development in this country, we know how he worked for this movement in England. Mr. Hume's interest in this movement has continued unflagging to this day. Mr. Hume has placed his wise guidance, his sage counsel, at our disposal whenever the need for such guidance and for such counsel has arisen. During the long reactionary period through which we have recently passed no man was more keenly disappointed over the apparent failure of the work of the Congress than Mr. Hume. No one was filled with more bitter grief and concern than Mr. Hume when last year the disaster which we all know so well overtook the Congress at Surat. I know again from personal knowledge and experience that when during the last few months

anxious deliberations were going on in London in connection with the reforms just now announced, when our prospects now appeared darker and now appeared brighter no man was following these developments with more anxious interest than Mr. Hume, and now when the gloom seems to be dissipating and the first streaks of a new dawn are visible no one has a greater right to be gladdened than the founder and the father of the Congress. In sending this message to Mr. Hume, therefore, we are only performing what I call a filial duty. Mr. Hume is past 80, and we are happy to think that this comfort has been vouchsafed to him in the evening of his life, and we all fervently hope he will long be spared to observe and watch the progress which we hope to make in the new path.

Then the third clause is about Sir William. Sir William, as you all know, has just passed through a very serious illness and a serious illness at 76 is a very serious matter indeed. But a merciful Providence has spared Sir William to us, and it is but fitting and proper that we should express our joy at his recovery on this occasion. Gentlemen, only those who have seen Sir William's work for us in England, can adequately realise how much, how very much we owe to this high-souled Englishman. During the last three years I have had to pay three visits to England in connection with this work and during all that time I was working in most intimate association with him and under his affectionate guidance; and I can lay claim to speak with some authority on this point. And I say this, that there has never been another Englishman who has laboured for us as Sir William has done. There have been great Englishmen, men occupying distinguished positions in the public life of England, who have befriended the cause of India in the past. The honoured names of Bright, Fawcett and Bradlaugh will always be cherished with love and reverence. But for them India was not the only subject occupying their time. They had other interests, they had other work, there were other claims upon their attention. With Sir William the whole thing has been different. India has been since his return twenty years ago his single interest, it has been his sole absorption, his

one passion. During these twenty years, Sir William has placed at our disposal all his time, all his energies and a large part of his own personal resources ungrudgingly (Cheers). For us he has borne much; through good report and through evil report, through sunshine and through storm this high-souled Englishman has stood by us. He sought entrance into the House of Commons for our sake; he gave up a Parliamentary career when he found the demands made by his constituents inconsistent with the performance of his self-imposed task. For us he was prepared to lose caste with his countrymen in this land. He has joyed with us in our joys, he has sorrowed with us in our sorrows, he was filled with anxiety when we were anxious, but he never gave way to despair when we were all filled with despair. Now that a new morn<sup>g</sup> is greeting us I am sure new friends will come to cheer us; but Sir William has kept vigil by our side during the night. I therefore propose that the best thanks of this Congress should be tendered to Sir William on this occasion because I firmly believe, and I am sure those who know how much Sir William has done will also believe, that he has been largely instrumental in pushing the Indian question to the front in England and securing for it that favourable consideration which it is receiving there to-day.

Having said so much about the personal portion of this Resolution, I will, if you will permit me, make a few observations on one sentence in the first part of this Resolution. That sentence is this. In our message to Hume we say "the reforms announced by Lord Morley are a partial fruition of the efforts made by the Congress during the last twenty-three years." I think it would not be irrelevant and it would not be inappropriate if I examine briefly how the new reforms that have been announced constitute what has been described here as a partial fruition of the efforts made by the Congress during the last twenty-three years. For this purpose you must briefly glance in the first instance at the efforts made by the Congress during the last twenty-three years, and secondly you must glance at the reforms that have been



announced, taking with them the other measures which have gone before the present announcement and other measures which are likely to come in the near future.

So far as the Congress is concerned, briefly you may say that it has sought three objects during the last twenty-three years. The first may be called a social object, the Congress has sought to promote greater unity among the different elements in this country, and the Congress has sought to promote a greater feeling of nationality throughout the land. Speaking of uniting even here on this platform after the unhappy separation which we all deplore, speaking here I may say that to-day the feeling of unity in the country, taking the divergent elements of the country into consideration, is stronger, deeper and more real than it was twenty-three years ago. (Cheers). The same is true of the feeling of nationality. From one end of the country to the other there is a new impulse, a new feeling, a new vibration; and everybody who is interested in the progress of India must rejoice that that feeling of nationality is a true, a deep and a real one in the land to-day. That part however of the work of the Congress we must put aside for the present. But there were two others and those were objects we had in view, special references to the influence we sought to exercise on the Government. One was pressing on the attention of the Government specific measures either of improvement or for the redress of grievances, numerous measures to which I am not going to make any reference just now. But the second object underlying all those measures we advocated, and urged by us side by side with them, was to modify as largely as possible the bureaucratic character of the present administration. Now in some respects the most important part of the work of the Congress during these twenty-three years has been the energy expended by it on modifying the bureaucratic administration. And so far as that is concerned, I think we may fairly say that the new measures that have been announced go a long way to effect the modification. What are those measures?

I would like to glance at these measures comprehensively and then see how far this claim is justified. For

that I want you to take the appointment of two Indians to the Secretary of State's Council with the reforms, also again the measures that will come next year as a result of the Decentralisation Commission's Report—all these three hang together, they are part of one whole and what do they amount to? For that you must compare the position that we shall occupy after these reforms have come with what it was last year. You may compare the whole administration to an edifice. At the base you have rural and urban self-government; in the centre the general every-day Administration, Legislation and Finance, and at the summit you have the bodies exercising supreme power, the Executive and the Secretary of State's Council, the seat of final authority where policies are determined and important questions really settled. That being the summit and the other being the centre, and local self-government being the base, I want you to consider where we were till last year and where we shall be after these reforms are fully carried out.

So far as local self-government is concerned we have a little local self-government just now. Of course, the name is local self-government. I was for four years at the head of a Municipal Administration, we know what we possess and how much it is—I know it is not much. That is the present position so far as local self-government is concerned. Then about the centre, we have opportunities of expressing our views about Finance once a year in discussing the Budget and on Legislation whenever a new measure is in contemplation. About the general every-day administration from top to bottom there is absolutely no opportunity of placing our views in a responsible manner before those who are in authority over us. And as regards the summit, viz., those bodies where policies are determined, well, we have no access to these bodies whatever to-day. Now, what will be the position under the new arrangement? At the base we shall have full control over and management of our local affairs, the fabric of local self-government started by Lord Ripon is to be carried to a proper and fitting completion—that itself is a most important thing. Local self-government has

been described by many and very properly described, as a training ground, a school of political education for our people. We shall have as much scope there for political education as we choose to have. Then as regards the centre the position will be so largely modified as to amount to almost a revolution. At the present moment in regard to administration it is all confidential reports from subordinate Officers to the highest till at last the top is reached, and we know nothing till the final decision is arrived at and announced, and even if the decision is unfavourable to us or we do not like it, we can only express our regret in our own way and keep still. Under the new arrangement all questions affecting every-day administration which involve matters of public importance can be brought in a responsible manner before those in authority in the Legislative Councils of the Provinces. In these Councils again a non-official majority has been provided for. This non-official majority with the power of raising administrative questions is really an exceedingly important step, and I am quite sure it will very largely modify the bureaucratic character of the existing administration. Then, in regard to Finance our control will be greater. The full extent of the control over Finance will not be realised until the larger scheme of Provincial Decentralisation is carried out, but that will be known only when orders are passed on the Decentralisation Commission's Report. But it is expected, and this is a matter of public knowledge, that as a result of that Commission's labour the Provincial Governments will be largely freed from the control which the Government of India exercises over them at present and in place of the control so removed the control of the Legislative Councils will be substituted—the control of discussion and criticism. Lastly as regards the seats of the highest power and authority, the Executive Councils, Indians are to be admitted to these Councils. They are already on the Secretary of State's Council, and we know what good work is being done by them there. They are to be admitted to the Indian Executive Councils, which means in formulating policies and determining large questions, racial considerations will recede in the background. The mere pre-

sence of Indians will prevent that. Again the Indian view of questions will be available there, and I expect nothing but good from the appointment of Indians to these Councils. Thus we shall have reasonable access to the highest seats of authority, we shall have fair opportunities of exercising influence in matters of Finance and Administration by means of debate, and we shall have got full management of the local affairs. More than this a non-official majority in the Provincial Councils really means preventive control over Provincial Legislation. We cannot of course pass any law we please because there is the veto of the Government, but the Government cannot pass any law it pleases without our consent because we have secured preventive control over Provincial legislation. In regard to the Supreme Legislature the position is somewhat different. But under this new scheme the Government of India will recede more and more in the background and the Provincial Government will come more to the front and loom larger in our eyes, and we shall have all the opportunities we require for influencing the course of Provincial administration. There was a disposition yesterday to complain that for the Supreme Council the Secretary of State's scheme is really less favourable to us than that proposed by the Government of India, and there was also a disposition to complain that the scheme of electoral Colleges and the scheme of proportional representation would emphasise the importance of class representation too much. I think, gentlemen, in regard to both these points it would be well if you went away from the Congress with clear and definite ideas. (Hear, hear.) So far as the Supreme Council is concerned, the constitution proposed is part of a whole scheme. What the Government of India proposed was that in the 8 Councils, one Imperial and 7 Provincial, there was to be a standing official majority. In regard to the Imperial Council, owing to the long distance of Calcutta from the Provinces from which official members had to come, it was provided by the Government of India that the majority should not always be present there, but that it should be called into existence whenever it was required. For all practical purposes the majority was there, whereas in regard to Provincial

Councils also there was to be an official majority. The Secretary of State has taken a momentous step in advance of these proposals; instead of having an official majority in all these Councils he has freed 7 Councils out of 8 from this official majority. Of course, there must be a reserve of power kept somewhere, because, at the present stage of our progress, it is not reasonable to expect that the British Government will give control over Legislation and Administration to us. But by concentrating an official majority in the Supreme Council, Provincial Legislatures have all been freed from the shackles of official majority. And in so far as the Government of India will recede into the background and as this official majority there is mainly a reserve power, as practical men we should be satisfied with the scheme. We must gratefully accept this scheme as it stands, because it must be accepted or rejected as a whole.

Then about the Electoral Colleges and the representation of class interests, it is all very well to say that the end we have in view is absolute unity in the country, union among all different elements. We have many other ends in view in life, and the followers of a certain religion expect the millennium one day, but we have to deal with the existing facts as they are. There are acute class differences in the country to-day, and any scheme of representation which secures to important classes proper representation by means of election, representation by men in whom they have confidence, any scheme of this description which secures this really, in my opinion, promotes the true interest of unity in the country; it removes the causes of bickering, the sourness of feeling, that otherwise would exist there. Speaking of the Mahomedan community, among whom I have most valued friends, I may say this that when this scheme is found to be working in practice—the scheme of proportional representation, and when they find themselves adequately represented by men elected by themselves and having their confidence, they will be disabused of a certain fear which they have unjustly entertained, namely, that they would be swamped by Hindus and they would be

encouraged to throw in their lot with us in this great National work. (Cheers.) Gentlemen, I have explained in the few observations I have made how things are to-day and what our position will be when the whole of this scheme is carried into effect. I now come to a few concluding remarks.

Stated in one sentence I may describe the change thus. Hitherto, we have been engaged in agitation from outside; from now we shall be engaged in what might be called responsible association with the administration. It is still not control over administration, but it is association and responsible association in administration. There is plenty of scope for growth here, and as we grow and discharge the responsibilities that devolve on us properly, I am sure there will be progress further and further towards our having what may be called responsible administration. From agitation to responsible association and from responsible association—a long and weary step but the step will have to come—to responsible administration. (Cheers.) Now these large and generous concessions which have been made by the Government and the Secretary of State must receive at our hands that response which they require. They impose upon us two responsibilities in particular; the first is that a spirit of co-operation with the Government must now be evoked amongst us instead of mere criticism of Government. The scheme will fail of its purpose and will prove absolutely useless in practice if our attitude is one of constant antagonism. Therefore the first responsibility that rests upon us is that the scheme should evoke in us a spirit of co-operation with Government. The second is that the new powers should be exercised with moderation and with restraint and they should be solely used for the promotion of the interests of the masses of the people. (Hear, hear.) There are so many questions awaiting solution, but under the existing system somehow the officials do not find sufficient time for their proper consideration. There is the question of mass education, there is the question of sanitation, there is the question of the indebtedness of the peasantry, there is the question of technical

education and so forth. I do not deny a good deal is being done, but I say much more can be done when the Government has the co-operation of the Councils. I am sure much more will be done in the future in these directions than the past. Therefore these new powers must be exercised with moderation and restraint, and they must be exercised in the interest of the masses of the people. If this is done I really have no fear about the future. Gentlemen, let us not talk so much of that veto which Government have reserved to themselves as some of my friends have been doing. To attack the veto or to expect or hope that the veto would be done away with in the near future is not to understand constitutional Government anywhere in the world. Even at present the House of Commons works under what may be called a double veto, namely, the practical veto of the House of Lords and the theoretical veto of the Sovereign. They are a self-governing people, and yet they bear all the inconveniences of this double veto. Let us grow to the full bounds of the new opportunities and it will be time enough to talk of circumscribing the veto which is vested in the Government.

One word more and I have done. We are most of us in India, Hindus, Mahomedans and Parsees, a somewhat dreamy race. Of course, the Hindus are most so. I do not deny that dreams occasionally are a source of pleasure, even if they effect nothing else. Moreover I admit the importance of dreams in shaping our aspirations for the future, but in practical matters we have to be practical men and have to remember two things. Life is not like writing on a clean slate. We have to take the words existing on the slate and add other words so as to make complete sentences and produce a harmonious meaning. Secondly, whatever you may ask for, that is not the same thing as what you will get or will be qualified to get or in practice maintain if you get. Let us therefore not go in pursuit of more idle dreams and neglect the opportunities which the present offers to us. On the manner in which we, especially the younger section of our countrymen, grow to the height of the new opportunities

will depend the future of the country. None of us wants to be satisfied with the things as they are. But first we must prove that we can bear these responsibilities before we can ask for any more. I have often said, and I repeat here again, that I do not want any limits, any restrictions on the growth which should be open to our people. I want the people of our country, men and women, to be able to rise to the full height of their stature as men and women of other countries do. But our growth can only be through the discharge of responsibilities; they must first be well discharged before we can think of further responsibilities. Ladies and Gentlemen, I thank you heartily for the manner in which you have listened to me and for the way in which you have received me.

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## PART III.

### SPEECHES ON THE SOUTH AFRICAN INDIAN QUESTION.

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#### THE TRANSVAAL QUESTION.

*[At the Twenty-fourth Session of the Indian National Congress held in Lahore, Mr. Gokhale spoke as follows :—]*

Mr. President, Fellow-Delegates, Ladies and Gentlemen,—I have been asked to submit for your adoption the following Resolution:—

“That this Congress expresses its great admiration of the intense patriotism, courage and self-sacrifice of the Indians in the Transvaal, Mahomedan and Hindu, Zorastrian and Christian who are heroically suffering persecution in the interest of their country and are carrying on their peaceful and selfless struggle for elementary civil rights against heavy and overwhelming odds; that this Congress offers its warmest encouragement to Mr. M. K. Gandhi and his brave and faithful associates and calls upon all Indians of whatever race or creed to help them unstintedly with funds and in this connection the Congress begs to convey to Mr. R. J. Tata its high appreciation of the patriotic instincts which have inspired his munificent donation of Rs. 25,000 to his suffering countrymen in South Africa in their hour of need and trial.

This Congress begs earnestly to press upon the Government of India the necessity of prohibiting the recruitment of indentured Indian labour for any portion of the South African Union and of dealing with the authorities there in the same manner in which the latter deal with Indian interests so long as they adhere to the selfish and one-sided policy which they proclaim and practise and persist in their present course of denying to His Majesty's Indian subjects

their just rights as citizens of the Empire. The Congress protests against the declaration of responsible statesmen in favour of allowing the Self-Governing Colonies in the British Empire to monopolise the vast undeveloped territories for exclusive white settlement, and deems it its duty to point out that the policy of shutting the door in these territories and denying the rights of full British citizenship to all Asiatic subjects of the British Crown, while preaching and enforcing the opposite policy of the open door in Asia is fraught with grave mischief to the Empire and is as unwise as it is unrighteous."

Fellow-Delegates, the first article of our Constitution says that the Congress seeks to secure for the people of this country, first, a system of administration in India itself similar to that enjoyed by the self-governing members of the British Empire; and, secondly, a participation for our countrymen not only in the burdens and responsibilities of the Empire but also in its privileges on equal terms with those other members. You will thus see that there are two ideas represented by the aspirations of the efforts of this Congress. One has reference to our status—I mean our political status—in our own country: and the second to our political status in the whole Empire. Yesterday's resolution about the reforms, and some of the resolutions that will follow to-day all deal with the improvement of our political status in our own country. This resolution, that I have just now submitted to you, deals with our political status in the whole of the British Empire. On this account, in the first instance, this question is of great, of supreme and standing importance. But apart from that, there are special circumstances which invest this question to-day with very special importance. You are aware that for many years past Indians in South Africa have had a very difficult time and during the last two years a most acute struggle has been going on in the Transvaal between our countrymen there and the Government of that Colony; but I take it that most of you are familiar with the leading facts of this struggle and yet in commending this resolution for your acceptance I think it is necessary to glance briefly at those facts here.

For the purpose of this review one may divide the whole period of the struggle into three parts: the period of the Boer Government; the period of the Crown Government; and the present period of Self-Government for the Transvaal. During the time of the Boer Government our position was not very satisfactory but in any case emigration into the Colony was perfectly unrestricted; any Indian who chose to go there could go there; all that was required of him was a payment of three pounds as registration fee. That is all. As a matter of fact when the war broke out, there were in the Colony fifteen thousand Indians; that being the male population only, women and children being left out of account. There was another circumstance in our favour in those days. The strong arm of the British Government was behind us in the struggle that our countrymen were making with the Boer oligarchy at the time. As a matter of fact many of you remember that both Lord Lansdowne and Mr. Joseph Chamberlain mentioned the treatment that was sought to be meted out to the Indians in regard to the location laws as the main cause for which the Boer war was undertaken. That was the position under the Boer Government. There was the harsh and degrading law as regards the location but that was never sought to be rigorously applied. Then came the war. Then came five or six years of Crown Government. During this Crown Government when any one would have thought that the honour of England was committed to the policy of improving the status of Indians—as far as the honour of a country can be said to be committed by its leading statesmen—our countrymen actually found that an attempt was made immediately to render that position worse than it was. The very first thing which the Crown Government sought to do was to enforce that location law even more stringently than the Boer Government. They failed in that for reasons which I need not go into here. But our countrymen saw that for them the war had really made no change and as a matter of fact it had made their status worse. After that for about three to four years both Briton and Boer in the Transvaal, whatever their difference, were of one mind in regard to the treatment of Indians. Both Boer and Briton set up a cry

of dishonest influx of Indians into the Colony. It was a perfectly unjust accusation; it was a lying accusation as was proved by several estimates published by the Government itself. But the cry was kept up for about four or five years. There was a census taken in 1904 when it was found that there were 10,000 Indians in the Colony as against 15 thousand men under the Boer Government; these ten thousand included children and women. There was another estimate published by the Registrar for the Asiatics Immigration in 1906 when again he found that there were ten thousand Indians in the Colony. There were two further estimates, one putting the number at 9,000 and another at 8,000. You will thus see that the cry of dishonest influx of Indians into the Colony was an absolutely unjust cry. This was the beginning of a new struggle. The white colonists were determined to prevent our people from entering and to put out as many as possible. Matters ultimately reached a crisis when an attempt was made to legislate in the matter, legislation being undertaken by the old Legislative Council that the Crown Government had given to the Colony. In 1906, an Ordinance called the Asiatic Law Amendment Ordinance was introduced into the Legislative Council, the object of which was to confine entry into the Transvaal to pre-war residents and to compel all Indians in the Transvaal to register themselves with the great humiliation attending such registration. All Indians naturally protested against this. But in spite of their protest the Ordinance was passed and then the Indians took a step which lies at the commencement of the present struggle that is going on. In September, 1906, finding that all their efforts were unavailing and that this Ordinance was passed by the Legislative Council, they held a meeting to protest against what was done, and at that meeting they passed their famous resolution—which since then has been known as their Covenant—saying that if the Imperial Government gave their sanction to that legislation, they would not submit to it (hear, hear,—and applause); they appointed at that meeting a deputation to proceed to England and that deputation was headed by our great and illustrious countryman, Mr. Gandhi. Fellow-Delegates,

after the immortal part which Mr. Gandhi has played in this affair I must say it will not be possible for any Indian, at any time, here or in any other assembly of Indians, to mention his name without deep emotion and pride, (here the huge gathering rose to its feet and accorded three hearty and most enthusiastic cheers for Mr. Gandhi). Gentlemen, it is one of the privileges of my life that I know Mr. Gandhi intimately and I can tell you that a purer, a nobler, a braver and a more exalted spirit has never moved on this earth. (Cheers and loud applause.) Mr. Gandhi is one of those men, who, living an austerely simple life themselves and devoted to all the highest principles of love to their fellow-beings and to truth and justice, touch the eyes of their weaker brethren as with magic and give them a new vision. He is a man who may be well described as a man among men, a hero among heroes, a patriot amongst patriots, and we may well say that in him, Indian humanity at the present time has really reached its high watermark. Mr. Gandhi headed this deputation which was sent to England and owing to his exertions and owing to the justice of our cause Royal assent was withheld to that Ordinance. This, however, was followed by the grant of Self-Government to the Colony and the new Colonial Parliament came into existence in February or March of the next year, 1907. The very first thing that this Parliament did as soon as the members were sworn in, was to undertake the passing of this Asiatic legislation, Briton and Boer being united in that desire. They passed the same Ordinance in a new form. They passed it and called it the Asiatic Law Amendment Act, practically prescribing the very same conditions and provisions that were contained in that Ordinance, the object being twofold; namely, to keep out of the Colony all Indians that may seek to enter there unless they were pre-war residents, and to compel resident Indians there to register themselves. This had to receive the Royal sanction, but this time, on the plea that it was a Self-Governing Colony which was legislating like that, the Imperial Government showed weakness and gave Royal sanction to this measure. The regulations that were framed under this law required the Indians to register under the most humiliating circumstances. They

were to give a number of details which might well be resented by every self-respecting man. All the Indians were required to register themselves by the end of October 1907. Indians under the leadership of Mr. Gandhi immediately took steps to resist these regulations. They made up their minds that they would not register, no matter what the consequences were. The Government found itself face to face with the resistance of 8,000 men—that was the Indian population of the Colony at that time. They resorted to all manner of persuasion and coaxing; they extended the period from three to six months, but it was found at the end of that period only 500 men out of the 8,000 had registered themselves, the remaining 7,500 declining to register themselves (Cheers). Then followed a short and sharp struggle. About this time two years ago Mr. Gandhi and some other leading men were arrested and sent to jail. That, however, did not last long because in January negotiations were opened by the Boer Government with Gandhi and a compromise was arrived at. It was a compromise which at that time promised peaceful and honourable settlement to them. Roughly the terms of the compromise were three. They were not reduced to writing. The first thing was that this Asiatic Law Amendment Act was to be repealed—the whole of the struggle that has since gone on has raged round the repeal of the Asiatic Law. The first condition was that this Asiatic Law was to be repealed. That was quite understood. The second was that the Indians there were voluntarily to register themselves but the registration was to be free from humiliating conditions. The third was that whatever restrictions the Government wanted to be imposed were to be imposed under the operation of another law which was perfectly general in its nature and not aimed at the Asiatics—the law named the Immigration Registration Act that applied to everybody. Mr. Gandhi said that any restrictions that the Government wanted must be imposed under that Act. Acting on the good faith of that Government, Mr. Gandhi travelled through the country and persuaded his countrymen with the greatest difficulty, because you know an attempt was made on his life by some of his followers who were furious

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that he should have agreed to that compromise and that he had to be in the hospital. He did his part as well as a man of honour could have done in those circumstances. In the course of three or four months, by May, the entire Indian population with very few exceptions had voluntarily registered themselves. Having done his part of the compact Mr. Gandhi expected General Smutts and the Boer Government to do their part of the compact to carry out the repeal of the Asiatic Law Amendment Act. There General Smutts broke faith and said that that was not so promised. (*Cries of "shame."*) Therefore there was nothing left for our countrymen but to continue the struggle or else to put up with this gross breach of faith. They had registered themselves and the purpose of the Act was quite satisfied. Therefore they took another bold step. A meeting was held of about 2,500 Indians at which they openly and publicly burnt their registration certificates. The value of the certificates is this. You are liable to be challenged by any policeman and liable to be called upon to produce the certificate. If you produce it you go unmolested, otherwise you are arrested and hauled up before a Magistrate. These men therefore voluntarily sacrificed the certificates which secured them against molestation and threw down an open challenge against the Boer Government, and the Government accepted their challenge. There were arrests and imprisonments and by the time Mr. Polak came to this country and Mr. Gandhi went to England, about 3,500 punishments had been suffered by our countrymen mostly with hard labour. (*Cries of "shame."*) But the suffering endured by our countrymen was not represented by these mere sentences of imprisonment. Thousands had suffered in property. It has been estimated by Mr. Gandhi that between half-a-crore and one crore in property had been lost by that small handful of Indians there. About one thousand people had been rendered homeless: families had been scattered and had been made wanderers on the face of the earth. Enormous suffering had been endured by women and children of which it is difficult to form any adequate idea. Their husbands, brothers and sons having gone to jail, the

women turned vegetable sellers in the streets to maintain themselves and their children somehow. All this time this handful of countrymen, this small community has carried on the agitation, which is a standing lesson to the people of this country. For three years they have undergone this suffering, fighting with one hand and with the other hand pushing on their agitation ceaselessly, in South Africa, in this country, and in England. Well, some time ago, our brethren finding that the situation had grown extremely serious and finding also that the four Colonies of South Africa were to be united into a Union sent a deputation to England in order to get the Imperial Government to put pressure upon the Colonial Prime Ministers and this deputation was also headed by Mr. Gandhi. Through Mr. Gandhi's courtesy I was privileged to see the negotiations between himself and Lord Amptill on one hand and Lord Morley and Lord Crewe on the other. Mr. Gandhi did all that was possible for a conciliatory man to do in the matter. But the negotiations failed for no fault of ours or of those who stand for us. Roughly, the case may be mentioned in one sentence. General Smuts declared to Lord Crewe that he was not prepared to admit even the theoretical equality of the Asiatics with the white people. (*Cries of "shame."*) The negotiations having failed Mr. Gandhi has gone back to South Africa. Mr. Polak is here to rouse and enlist your sympathy. Gentlemen, it has come to that : he has had to come here in order to enlist your sympathies in this, because the struggle has been resumed. Only yesterday, Mr. Polak got a telegram saying that Mr. Gandhi and his second son and several others had gone across the frontier in order to be arrested and to challenge the Government still further. What will happen we have yet to see. I had a short telegram myself a few days ago in which Mr. Gandhi said he expected to be arrested very shortly, and very probably in the course of the next two or three days he will be arrested. (*Cheers and loud applause.*) Now this is the struggle and the question before us is, what are we going to do to help our countrymen in this matter? The resolution that I have read out to you contains three appeals. I will deal with these three appeals in the inverse order.



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Before doing that, I should like to sum up the struggle very briefly. It is this. There are four facts that stand out prominently in connection with this struggle. The first is that the condition of our countrymen has deteriorated steadily from the time of the Boer Government to the present time, gone from bad to worse. The second is that our cause is a cause of right and justice; our countrymen take their stand on that equality which is promised to us by our Sovereign and Parliament and they insist that that equality shall be a reality and not a hollow promise. The third is our countrymen had done really nothing unworthy throughout the struggle; on the contrary they have done everything worthy, so worthy that our hearts must feel a glow of pride and all of us must feel high hopes about the future of our land. The last is that our countrymen are struggling not for themselves but for the honour of India. (*Cheers and "hear, hear."*) This is a point that has to be realised. They are not struggling for themselves at all. They had voluntarily registered themselves; they had secured themselves from molestation. But they burnt their certificates because they did not want the bar to be put upon the Indian that he is not equal to the Boer. They did not want this stigma on the Indian name. The struggle therefore is for the honour of India, is in the interests of those of us who may want to go there; and for those who are there. It is therefore our struggle more than the struggle of that small Colony there. This is the struggle and what are the appeals that we make in this resolution. We will take the appeal in the inverse order. The last is the appeal to the Imperial Parliament: the next one is the appeal to the Indian Government and the first appeal is to the people of this country. The appeal to the Imperial Parliament is this. We say this respectfully to the Members of the Imperial Parliament and Imperial statesmen that the policy that has been often announced by statesmen calling themselves Imperial, namely, that the white colonies were for the white people only and also undeveloped tracts suited to white people; that is a policy selfish and unrighteous and the people of India will never agree to that policy; that policy is unrighteous because for better

or for worse India now forms part of the Empire in theory, at any rate; we have been told that we are the subjects of England and fellow-subjects of the white subjects of the King. We know in practice that we are not the equal subjects of the King but the subjects of our fellow-subjects, the subjects of the white subjects. Surely we cannot accept this for ourselves. We say that if you understand the true interests of the Empire you must not allow this policy to go on. You must reverse and put an end to it as soon as you can. That is our appeal to the Imperial Government. Our appeal to the Indian Government is this : You are the Government of this country, you are no agents for the Transvaal or for the South African Union. You have to keep the interests of the people of this country foremost in your mind. I am glad to say it is also the view which the Government of India take up in the matter. We say to them that the time has come not merely for making representations, that time is gone. They have made endless representations but so far they have produced no effect. The time has come for retaliation. (*Loud and prolonged cheers.*) Happily for us the means for retaliation are in the hands of the Government of India. Natal wants Indian labour. During the last four years the figures available for them show that in 1905, 8,000 Indians were taken there as indentured labourers. In the next year about 7,000, in the third year about 6,000 and in the last year they took 3,000 Indians as labourers. They want indentured labour; they do not want any free Indians there. The Government of India have got to say that they have either to stand the free Indians or do without the indentured labour. This is the position about which there is no mincing words any more. The new Councils give opportunities to our members to bring these questions in the form of motions before the Imperial Council at any rate; and I trust that those who will be in the first Council will realise their duty in the matter and lose no time in bringing forward a motion. We say to the Government, you must discontinue this recruitment of indentured labour. It is carried under the authority of the Government, therefore they have it in their power not merely to withdraw but to stop that recruitment; it has

been said by a Commission that was recently appointed to consider the questions of emigration that without this labour many industries of Natal will be paralysed. The Commission enumerates the industries that will be so paralysed. Therefore the Government of India can well say to Natal and the South African Union that unless the condition of Indians is improved, indentured labour will no more be available to South Africa from India. That is our appeal to the Government of India. Our appeal to our own countrymen is this: A small Colony in Transvaal is doing its duty in the matter. It has done nothing unworthy but everything worthy. It is engaged in what is known as the passive resistance struggle. What is the passive resistance struggle? It is essentially defensive in its nature and it fights with moral and spiritual weapons. A passive resister resists tyranny by undergoing suffering in his own person. He pits soul force against brute force; he pits the divine in man against the brute in man; he pits suffering against oppression; he pits conscience against might; he pits faith against injustice: right against wrong. A passive resister deliberately and openly violates the requirements of an unjust law or order for the simple reason that he cannot conscientiously submit to that law or order. He does not seek to evade the consequences of that law but invites them and he glories in them. It is a spiritual struggle essentially in keeping with the highest traditions of Indian spirituality. I repeat that our countrymen have done nothing unworthy. On the contrary everything that they have done is worthy of them. It rests with us now to say whether we shall go to their rescue or not because this small community is, I have been told, vanishing. Their loss is from half-a-crore to one crore already. You can well imagine what that means. They need funds; they are prepared to carry on the struggle whether your funds go or not, men who are going to jail again and again leave their children behind thinking that God will take care of them. If no help goes, probably the women and children will perish; if it goes, all may yet be well with the struggle. It is our duty to send help. In any case we must support this struggle till the South African Parliament meets in July. There is some pro-

bability of some pressure being put upon the new Parliament when it meets. We must carry on the struggle till then. I do not say it will be given up then. It will depend upon the terms offered by the new Parliament. If they are honourable, Mr. Gandhi is not the man to stand in the way of solution; if they are not, no matter how acute it may be, Mr. Gandhi is not a man to give up the struggle. In any case we are bound to find money for the struggle. We shall be ashamed before the whole of the civilised world if we do not rise to the responsibility. At least a lakh of rupees must be forthcoming by April. Mr. Tata whose name is mentioned in this Resolution, a worthy son of a worthy father (*cheers and applause*) has shed fresh lustre on the great and illustrious name he bears. He has already placed Rs. 25,000 at the disposal of the Colony. In addition to that the country must raise Rs. 1,00,000. I had a talk with Mr. Polak and we thought that if Bombay raised Rs. 25,000 in addition to Tata's subscription and Bengal with its population four times as large as Madras and the United Provinces raised another 25,000, Madras and the United Provinces raised each Rs. 15,000 and the Punjab and Berar raised each Rs. 10,000, a lakh of rupees will be forthcoming. What is a lakh of rupees compared to the sufferings that they have cheerfully borne for the sake of the country and of our honour. The appeal that I would address to you is this: It is your duty to come to the assistance of these people. As you do in this trial—you are on your trial, the whole of our nation in this matter is on its trial, our patriotism, public spirit and our sincerity are all of them on their trial before God and man in this matter—as you acquit yourself in this trial, so shall it be with your country. If you fail, we shall have to hang down our heads in shame and silence till another generation takes our place and renders more faithful service to our Motherland. If you, on the other hand, acquit yourself well, if you rise to the height of your duty and responsibility, the struggle will be prolonged and all may yet be well with us. We may have to wade through failures and sufferings and difficulties, spade work may have to be faced, still ultimately it shall be well with us and our countrymen.

## A FAREWELL SPEECH AT PRETORIA.

*[The following is the farewell speech delivered by Mr. Gokhale at the Pretoria Town Hall on the 15th November 1912 :—]*

Mr. Gokhale said :—

Mr. Chairman, Ladies and Gentlemen,—I feel, I need hardly assure you, greatly honoured by the presence of you all here this evening, and I beg leave to tender at the outset my grateful and sincere thanks to you for your kindness. This is my last public utterance in South Africa, and while my thoughts are necessarily tinged with a certain degree of regret at the prospect of so soon leaving the country where I have received so much kindness and spent such a pleasant time, I cannot disguise from you the fact that I contemplate the approaching termination of my tour with a great sense of relief. Ladies and gentlemen, I doubt if many people in South Africa realised how difficult was the position in which I found myself when I arrived at Capetown last month. I had come to this country with the avowed object of studying at first-hand an admittedly difficult and delicate problem—a problem which has two sides to it, and which has aroused no small feeling on both sides. And yet, I was compelled by the exigencies of the situation to speak publicly on matters connected more or less with the problem from the day of my arrival. But the apprehension was never absent from my mind that if, by chance, owing to any over-enthusiastic act on the part of my countrymen, who greeted me everywhere in kindly demonstration, or owing to some thoughtless act or word of my own, an unfortunate impression was created or any feelings were inflamed which it was my earnest desire to allay and not to aggravate, I should really be injuring the cause which I had come here to serve. All through my tour I have been weighed down with this thought; and, now that my visit is drawing to its close, I

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feel a great sense of relief and I thank God that no untoward incident has happened to mar the smooth progress of events. And, judging from newspaper comments, as also from private conversations, I am emboldened to hope that, even if no actual good has resulted from my visit, it has, at any rate, done no harm. Ladies and gentlemen, on this, the last occasion, when I speak to the people of this country, I would like once again to tender my warm and heartfelt thanks to all who have been so kind to me. To my own countrymen, resident in South Africa, who have lavished such a wealth of affection on me wherever I have been, I have no words in which to express my gratitude, and I would only say that it is my fervent prayer that, in any difficulties they may have to face in the future, I may be privileged to be of some little assistance to them. To the members of the European community who have gone out of their way to show such great kindness to me, I tender my warmest thanks, and I tender them from the bottom of my heart. I will not abuse their generosity by interpreting it as indicating necessarily any approval of, or even sympathy with, my mission, and that only adds to the sense of obligation under which I lie to them.

Finally, I would like to repeat my respectful acknowledgments to the Union Government for the great courtesy and consideration with which they have treated me and for the generous hospitality which they have extended to me. Their attitude towards me has largely facilitated my work, and it has enabled me to meet many men of distinction in this land whom otherwise it might not have been easy for me to meet. This morning, three Ministers—General Botha, General Smuts, and Mr. Fischer—did me the honour to grant an interview, in the course of which I had an opportunity to discuss the whole Indian problem in the sub-continent with them. We had a full, frank, and free interchange of views. I hope the Ministers saw clearly that there was no disposition on the Indian side to underrate the difficulties of their position. On the other hand, I would like to take this opportunity to express publicly my deep appreciation of the manner in which they approached the question and

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the sincere desire they evidenced to arrive at a just and reasonable settlement. And now, ladies and gentlemen, I think I may say a word or two on the question itself before I close.

There is no doubt that there is a great deal of feeling on the question on both sides, and this makes a dispassionate examination of the matter even more difficult than it would otherwise be. I have said, and I say it again, that, in the conclusions at which I have arrived, I have tried to keep in view the fact that the interests of both sides, must, in some way or other, be reconciled. The fundamental question is how there shall be secured just and equitable treatment for those Indians who are here now, and their number is about 150,000. Whilst here, I have heard it urged that a settlement may be found by sending these people back to India. It may be a solution of one aspect of the problem, but, assuming that it is a desirable solution, which, I think, it is not, it is, for financial and other reasons, absolutely impracticable. These 150,000 people are here, they cannot be repatriated, they must therefore remain here and they must become, more and more, an integral and a permanent part of the general population of this sub-continent.

The most important question, then, is to what just and equitable treatment these people are entitled, and how such treatment may best be secured. Now one thing is quite clear, that, if a solution of this problem is to have any permanence and finality, it has to be such as will be acceptable to the European community, who are, after all, the dominant people of this country. And so long as there exists in the European mind the fear of a continued influx of Indians, there cannot be that frame of mind on its part which would allow of any settlement being a success. The European community must therefore receive, and the Indian community must be prepared to give, the necessary assurances to remove the fear on this point. Again there must be no room for a reasonable apprehension in the mind of the Europeans that the presence of the Indians in this land would lower the character of the political institutions under which they

desire to live. I fully recognise that South Africa must be governed along the lines of Western political institutions and by men who understand the spirit of these institutions, and the European community are entitled to an assurance that this shall remain so. These assurances, however, being given—outside these questions of immigration and franchise—the aim of the Government should be to make the Indians feel that they are living under equal laws, and that these laws are administered towards them with no undue harshness, but the same as towards the other people of the country. At present, the Indians throughout South Africa feel, and justly feel, that even outside the two questions I have mentioned, they are subjected to harsh legislation specially directed against them, and, further, the administration of that legislation is, if any thing, even harsher in spirit. To take only the more important grievances, the Immigration Law is being now worked in such a rigorous manner as to cause the Indian community most serious hardships. In Cape Colony, for instance, there is the system of permits under which an Indian who may have settled in the Colony is permitted to be absent from the country for a stated period, generally one year. Only the other day an Indian trader who had gone to India on a year's permit, leaving his wife and children and his business behind, returned to the Colony, but he was prevented from landing because he had exceeded the period of absence by one day. This was owing to no fault of his, for if the steamer by which he came had run according to scheduled time, he would have arrived three days before the expiry of the permit, but it was held up on the way by a storm for four days, and this led to his arriving a day late. And yet because of this accident he has been forced to go back to India, and his business has been ruined, and his wife and children have now to follow him. The same thing is happening in Natal in connection with domicile certificates. The holders are cross-examined about their whole life and movements in this country during long periods—sometimes as long as fifteen years—and even small discrepancies between the answers given and the facts already recorded are held to justify discrediting the certificates, and the holders are sent back to



India. Now all this is grievously unjust, and I am sure only public attention has to be pointedly drawn to it to secure its stoppage, for I cannot believe that there is any desire on the part of the European community of this country to harass the Indians in this unnecessary manner. There are several other complaints to be heard everywhere about the working of the Immigration Law, but I will not go into them now. I sincerely trust that with the removal of the fear of a continued influx of Indians into this country, the Immigration Law will be administered in a far more considerate and sympathetic spirit, and all the present soreness of feeling of the Indian community in regard to it, and all sense of insecurity produced by it, will be removed.

Next there is the question of trading licenses. This appears to be in some respects the most difficult problem of all. The Europeans feel that they are gradually being crowded out by the Indians, that the Indians undersell them, and that important branches of trade are likely to fall entirely into Indian hands. That is the European viewpoint. On the other hand, the Indians feel that their freedom is being unjustly interfered with, that all outlets are being steadily closed to them, and that gross injustice is being done to them. Now while I do not seek to minimise in any degree the argument on the European side, I must frankly say that I have always felt that the traders who are injured, if at all, by the competition of the Indians, are a very small part of the community, and that, if the argument be that the Indians sell cheaper, it must surely be to the general advantage of the community, whose interest it is to buy cheaper. But that apart, what reason can be given for the refusal to transfer a trading license from one man to another or to allow him to take his own son into partnership, as was the case only a day or two ago in Ladysmith? This is certainly neither fair nor equitable treatment, and anyone can see that its sole object is to extinguish Indian trade, as opportunities arise. This is absolutely unjustifiable. Moreover, what is to be the fate of those who are born here, under this policy? The matter of the control of trading licenses, in at least two

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Provinces of the Union, is in the hands of the local authorities and there is no right of appeal except as to renewal of licences in Natal, or on grounds of procedure, to a judicial tribunal, so that flagrant injustices are constantly perpetrated and go unremedied. That right of appeal against the interested decisions of their trade-competitors must be given to Indians if anything like justice is to be done to them. I quite recognise that direct interference by the Government is impracticable, with the law as it stands, but the restraining influence of the Government may be exerted in many directions, and I earnestly trust that it will be used to bring about a feeling of security in the mind of the Indian trader and remove a grievous sense of injustice and wrong.

The question of the education of Indian children born in South Africa is also one about which the community has a great grievance at the present time. Very little provision for that education is made, and yet these children, when they grow up, must be absorbed into the general population to whose material and moral well-being they will be expected to contribute. Provision should therefore be made, not only for elementary, but also for the higher and for the technical education of these children. Instruction should also be given in the Indian vernaculars in school hours. I should like the European public to lay emphasis upon this requirement, for, so long as such instruction is not given, it is a legitimate excuse for the Indian community to ask for the admission of clerks and others so instructed, for the proper keeping of their books, which are at present kept in their vernaculars, as it is impossible at present for their own children to become proficient in the Indian vernaculars in this country.

These are the most important general grievances of which the Indian community has good reason to complain at present. Beyond these there are a number of specific disabilities imposed upon the Indian residents of the different Provinces, such as Law 3 of 1885 in the Transvaal or the Gold Law and the Townships Act of 1908, which prevents Indians from residing or trading except in

locations in all so-called gold areas. But I do not propose to-night to deal with them. To one such only I wish to make particular reference, and that is the £3 tax, imposed in Natal upon all ex-indentured Indians and their descendants, men and women, boys above sixteen years, and even girls above thirteen years being included, who do not return to India after the expiry of their indentures and who do not desire to re-indenture. I make bold to say that it is difficult to imagine a more harsh and unjust impost, bringing, as it does, untold misery upon those who are required to pay it. Whatever its justification may have been at a time when there was a genuine fear of the country being overrun with indentured Indians, who were being brought here in the interests of a section of the European population itself, there is no doubt that, since the stoppage of indentured recruitment in India, there no longer remains even that shadow of justification for the imposition of this tax. I discussed this subject with a large number of persons in Natal, and I did not find a single individual to justify or support it. And it was a pleasure to me to find that even those who had, two years ago, strongly upheld the impost, are now agreed that it should be abolished altogether. I may state that strong representations in this matter were made by me to the Government to-day, and I have every reason to believe that the matter will receive the early and sympathetic attention of the Ministers.

Ladies and gentlemen, it is impossible on an occasion like this to do more than indicate in general outline the more serious and pressing of the Indian grievances in this country. And you will not understand me, in what I have mentioned, to have exhausted the whole list. Neither have I touched on that part of our disabilities which though acutely felt in the daily life of the community, cannot be put right by any direct action of the Government—I mean the social disabilities. I must say that I am astonished at the strength and intensity of the colour prejudice that exists in this land. I had heard a good deal about it before my arrival, and I was prepared for a certain measure of it. But not till I actually was in this country did

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I realise the full force with which it operates nor the extent to which it prevails. However, the only hope of a remedy in such matters is in the steady improvement of the general situation and the gradual education of the heart. Meanwhile it is wise to take note of the existence of this prejudice in any solution of present difficulties that may be thought of or attempted. And now, ladies and gentlemen, I would like to say a word publicly to the Government of this country. The difficulties of its position are great and undoubted. The delicate relations between the two European races, the special problems connected with the future of the vast native population, the powerful colour prejudice, the widespread apprehension among a section of the white population that their material interests are seriously threatened by Indian competition—all these make the position of the Government one of exceptional difficulty. And though its duty to secure the fullest justice to the resident Indian community is clear, I freely recognise that the strongest Government that may be conceived of will not be strong enough to redress all Indian grievances at once, and would be hurled from power, if it attempted to do so. I feel it is incumbent on the Indian community to realise this fully and not pitch its expectation too high—to exercise patience and self-restraint as far as possible, in order to facilitate the task of the Government, for any impatient or vehement insistence on immediate relief being granted, where the Government itself is not in a position to grant it without a considerable change in public opinion, can only retard, and not hasten, remedial action. But, while admitting all this, I feel strongly that the face of the Government must be set all through in the right direction, and the progress, slow as it may be, must be steady and continuous towards full justice to the Indian population. It is one of the primary duties of every Government to ensure justice to all who are living under its protection and the Government of South Africa owes this duty to the Indian population as much as to any other section of the community. And the fact that the Indians have no votes only emphasises this duty still further. The Indians resident in South Africa are part and parcel of the general

population, and their welfare must be an object of serious solicitude to the Government, unless the idea is to hold them down permanently as a depressed community, which I cannot believe. Those who form the Government may be dependent on the votes of the European population for their position. But once they assume the functions of Government, they make themselves responsible for even-handed justice to all, and to those who are least able to protect themselves from oppression and injustice they are bound to give their protection most.

My final word to-night will be one of appeal to what I would call the better mind of the two communities, European and Indian. To the European community I would respectfully say—you have all the power and yours, therefore, is the responsibility for the manner in which the affairs of this land are administered. You cannot believe in your heart of hearts that whatever temporary advantages may be gained by those who have power from a policy based on obvious injustice, selfishness, or unreasoning prejudice, such advantages can long endure. You owe it to your good name, you owe it to your civilisation, you owe it to the Empire of which you are part, and whose flag stands for justice and freedom and opportunities for progress for all who live under its protection, that your administration should be such that you can justify it in the eyes of the civilised world. That you have votes, and the Indians have not, only throws a double responsibility on you—the responsibility for actively promoting their prosperity and well-being as well as yours. The affairs of this country must no doubt be administered in accordance with European standards and by men who understand the spirit and working of European institutions, but the Government must exist for promoting the prosperity not of the European community only, but of all its subjects; else it is a travesty of Government to them. To my own countrymen resident in this land, my parting appeal is—always remember that your future is largely in your own hands. You have by no means an easy position here, and it is not impossible that it may grow even worse. But, whatever happens, do

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not lose faith or give way to despair. I pray to God that such a struggle as you found it necessary to wage in the Transvaal during the last three years may not have to be waged again. But if it has to be resumed, or if you have to enter struggles of a like nature for justice denied or injustice forced on you, remember that the issue will largely turn on the character you show, on your capacity for combined action, on your readiness to suffer and sacrifice in a just cause. India will no doubt be behind you. Such assistance as she can give shall freely come to you. Her passionate sympathy, her heart, her hopes will be with you. Nay, all that is best in this Empire, all that is best in the civilised world, will wish you success. But the main endeavour to have your wrongs righted shall have to be yours. Remember that you are entitled to have the Indian problem in this country solved on right lines. And in such right solution are involved not merely your present worldly interests, but your dignity and self-respect, the honour and good name of your Motherland, and the entire moral and material well-being of your children's children. Ladies and gentlemen, I will now bring my remarks to a close. I thank you for the kind and indulgent manner in which you have listened to me. And to all of you I say good-bye and farewell.

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## INDIANS IN THE TRANSVAAL.

*[At a meeting held in the Town Hall of Bombay on the 9th September 1909, Mr. Gokhale spoke as follows:—]*

Mr. Chairman, Ladies and Gentlemen,—You will see that the first part of this resolution is practically identical not only in substance but in its very wording with a resolution which was adopted in this very Hall at the beginning of last year by a Public Meeting presided over by H.H. the Aga Khan. Eighteen months have elapsed since then and the fact that we have to repeat the self-same resolution again to-day shows that no relief has come in the interval and that the period has been one long night of tribulation and suffering to our brethren in the Transvaal. Indeed, gentlemen, the position to-day is far worse than it was when the last meeting was held. The actual struggle then had been only a month old, and it so happened that the very next day after the Bombay Meeting a compromise was effected between Mr. Gandhi and General Smutts, seemingly full of promise of a peaceful settlement honourable to both sides. Again out of a total Indian population of about 8,000 men in the Transvaal, 7,500 were engaged in the struggle. To-day the total Indian population in that Colony has dropped to less than 6,000; and though most of these are in deep sympathy with the struggle and are helping it financially and in other ways, the brunt of the persecution is being borne by a brave band of about five hundred Indians, led by the indomitable Gandhi, a man of tremendous spiritual power, one who is made of the stuff of which great heroes and martyrs are made. Gentlemen, we have all been following this struggle with close interest and with deep indignation and pain, relieved only by our admiration of the heroic stand which our countrymen have made, but I think it will be useful to recall briefly on this occasion the principal facts. Under the old Boer Government of the Transvaal, a law was in existence which required all Asiatics who entered the

Transvaal after 1885 for purposes of trade to register themselves and to pay a registration fee of £3. There was no limit to the number that might so enter and the Indian population in the Transvaal before the war was estimated—and the estimate has been accepted by the Government—at 15,000 males, leaving women and children out of account.

Another provision of this law required Indian traders to trade in locations only but it was never rigorously enforced and, in fact, an attempt to enforce it strictly was alleged by both Mr. Chamberlain and Lord Lansdowne as one of the causes that led to the war. In those days the Indians resident in the Transvaal were not only regarded as entitled but were actually encouraged to turn to the Imperial Government for protection. Before the outbreak of hostilities most of the resident Indians left the Transvaal, carrying with them passes from the Boer Government permitting them to return after the close of the war. The war ended in 1902, resulting in the annexation of the Transvaal to the British Empire. It was however soon discovered that the substitution of the British Government for the Boer, so far from bringing any relief to the Indians, actually made their position far worse. In 1903, the agents of the British Government that had gone to war with the Boers for seeking to enforce the law about locations, themselves sought to enforce that law in a far more stringent manner than the Boers had ever contemplated. The attempt failed on an appeal to the Supreme Court, but it gave the Indians a taste of what was in store for them under the regime, and it naturally filled all right-minded men with indignation and disgust. Then the cry was started that Indians were flooding the Colony and it was necessary to stop the influx. How dishonest and unscrupulous the cry was may be seen from the fact that the Indian population in the Transvaal since the war has at no time reached the number that was there before the war. I have already said that the male population alone before the war was 15,000. In 1904, a regular census was taken when it was found that the entire Indian



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population, including women and children, was only 10,000. Again in 1906, a Memorandum issued by the Registrar of Asiatics showed that up to then about 13,000 permits had altogether been issued and the actual number of Indians in the Colony—men, women, and children all told—was not more than 10,000. In July 1907, when the first stage of the Passive Resistance struggle began, it was estimated by the Indian leaders that there were about 9,000 Indians in the Colony.

In December of that year, when the struggle reached an advanced stage it was estimated that the number was about 8,000. And to-day it is less than 6,000. The cry of unrestricted influx was, however, persistently and vigorously maintained by Boer and Britain alike and the Indians soon saw that the real object of the white Colonists was somehow to get rid of the Indian element altogether. Lord Milner, who could not help seeing how badly the Indians were being treated, advised them in 1903 to undergo voluntary registration, and take out fresh permits, though they already had registered themselves under the Boer Government and held its passes. The Indians did this, and Lord Milner thanked them for the manner in which they had met him in the matter. When Lord Selborne succeeded Lord Milner as High Commissioner, he inquired into the charge of unrestricted and fraudulent influx and publicly declared that the charge was unfounded. Still the cry continued that the Colony was being flooded by Indians, and ultimately the Government introduced into the Legislative Council in 1906 an Ordinance called the Asiatic Law Amendment Ordinance, which provided for a fresh compulsory registration of all Asiatics entitled to be in the Colony, under very humiliating circumstances. The Asiatics protested strongly, vehemently, against the Ordinance, but to no purpose, and the Ordinance was, with small modifications, passed by the Legislative Council. This was in reality the beginning of the Passive Resistance movement.

Then followed a sharp but comparatively short conflict between the Transvaal Government and the passive

resisters. Many of them, including Mr. Gandhi, were arrested and sent to jail, but at the end of January, 1908, a compromise was arrived at, as I have already told you, between Mr. Gandhi and General Smutts. The terms of this compromise according to Mr. Gandhi's version, which those who know Mr. Gandhi will not for a moment doubt, were these :—The Indians were to register themselves voluntarily within three months, the registration being free from humiliating details and the Asiatic Law Amendment Act was to be repealed and Asiatic Immigration was to be regulated under the operation of another law passed the previous year, namely, the Immigration Restriction Act, which was general in its provisions. In accordance with this compromise, the whole Indian community in the Transvaal voluntarily registered itself by the beginning of May, 1908 ; but the Transvaal Government on its side, instead of repealing the obnoxious Asiatic Law Amendment Act, merely passed a law to validate the voluntary registrations. The result of this action on the part of the Transvaal Government was to defeat two most important objects which the Indians had in view in agreeing to the compromise. Those objects were : first, that there should be no law on the Statute-book of the Colony subjecting Indians as such to humiliating treatment, and secondly, it should be open to the people of this country to enter the Colony on the same legal terms as the people of European countries, i. e., by passing a literary test in one of the European languages, thereby ensuring immigration to a few cultured Indians every year. By retaining the Asiatic Law Amendment Act, however, on the Statute-book, General Smutts frustrated both these objects, as the Act subjected Indians to humiliating treatment, and by confining entry into the Colony to those Asiatics only who were pre-war residents, it effectually prevented the admission of new Indians. The Indian community of the Transvaal naturally therefore looked upon the refusal of General Smutts to repeal the Asiatic Law Amendment Act as a gross breach of faith and finding themselves taken in, inasmuch as they had voluntarily registered themselves, they at once held a Public Meeting at which they renewed the vow to

continue Passive resistance, and to re-open the struggle, and about 2,500 Indians burnt their registration certificates.

This was in September of last year and since then the struggle has gone on in a very acute form. Those who will speak to the second resolution will tell you what dreadful hardships and sufferings have been endured by the passive resisters for the cause. Briefly, 2,500 sentences, mostly of hard labour, have been inflicted on them. About a thousand persons have been absolutely ruined and a thousand more have left the Colony. The struggle, however, has continued unabated to the present day.

Gentlemen, I have so far given you briefly the principal facts of the struggle. The first thing we have got to realize in this matter is that Mr. Gandhi and our other countrymen in the Transvaal are fighting not for themselves but for the honour and the future interests of our motherland. So far as they themselves were concerned they had satisfied the requirements of the situation by registering themselves voluntarily. But the whole battle has raged round the repeal of the Asiatic Law Amendment Act, and they have insisted on this repeal so that an invidious piece of legislation, insulting in its character to the people of this country, should be removed from the Statute-book of a British Colony. As a practical man, Mr. Gandhi is prepared to agree that there should be no unrestricted immigration of Indians into the Colony, that Government there should in its discretion be permitted to restrict such immigration in practice. But he wants them to effect this under the operation of the Immigration Restriction Act which is perfectly general in its application to all nationalities and which does not cast any reflection on any of His Majesty's subjects such as the Indian community. Then Mr. Gandhi's struggle is in furtherance of the future interests of our motherland. For better, for worse, this country is now included in the British Empire, and our progress must be towards complete equality with our English and other fellow-subjects in that Empire. Here again as practical men, we are prepared to recognize that the attainment of such equality

and the obliteration of race-distinctions which it involves can be but a slow affair. But we have a right to insist that the movement must be in the direction of a steady removal of these distinctions which are numerous enough in all conscience and not towards adding further to them. In fighting for the principle that no humiliating disabilities shall be imposed by the Statute-book of a British Colony on Indians as Indians, Mr. Gandhi is fighting for the assertion of our claim to that equality with which our hopes for the future are bound up. Gentlemen, I have heard it said by some friends, mainly Englishmen, that though they originally sympathised with the Indians in this struggle, Mr. Gandhi's resort to Passive Resistance involving as it does defiance of the laws of the Colony has alienated their sympathies. Now I do not in the first place think that this is quite a fact. For we see the Committee in England, presided over by Lord Ampthill, backing up the passive resisters as strongly and cordially as ever. Again, even if a few Englishmen have grown cold in their sympathies, I am sure none of us here feels anything but the highest admiration for the manner in which this struggle has been carried on by our side. I think, and I say this deliberately, that in the circumstances of the Transvaal, Passive Resistance such as that organized by Mr. Gandhi, is not only legitimate, but is a duty resting on all self-respecting persons. What is this Passive Resistance? Passive Resistance to an unjust law or an oppressive measure and a refusal to acquiesce in that law or measure and a readiness to suffer the penalty instead which may be prescribed as an alternative. If we strongly and clearly and conscientiously feel the grave injustice of a law, and there is no other way to obtain redress, I think refusal to acquiesce in it taking the consequences of such refusal is the only course left to those who place conscience and self-respect above their material or immediate interests.

Look at the splendid manner in which the whole movement has been managed. Hindus, Mahomedans, Parsis, all hold together as one man, forgetting their usual differences and sufferings with wonderful self-restraint

—surely a man who can achieve this must represent a great moral force, and must not be lightly judged. Again look at the fact that though the struggle has gone on in an acute form all these months, not even the worst opponent of Mr. Gandhi has suggested the least suspicion about his loyalty or his general attitude towards the British Government. No, gentlemen, I am sure, we all think that Mr. Gandhi is perfectly justified in resorting to Passive Resistance when all other means of redress failed. I am sure if any of us had been in the Transvaal during these days we should have been proud to range ourselves under Mr. Gandhi's banner and work with him and suffer with him in the cause.

Ladies and gentlemen, this resolution says that we again appeal to the Imperial Government and the Imperial Parliament to use their influence on our behalf at this crucial movement in the history of South Africa and thereby close this bitter question in a satisfactory manner. The present is an important moment because the four Colonies of South Africa have just been united into a federation. Surely, we trust, it is not too much to hope that at such a moment the Colonial authorities themselves must be anxious to wipe all unpleasant controversies, if possible, off the slate. It is often said, and it is no doubt largely true, that the Imperial Government, whatever its sympathies, cannot coerce Self-Governing Colonies into particular courses of action.

But the Imperial Government owes a duty to other subjects besides the white residents of Self-Governing Colonies and moreover even if there may be no coercion there are numerous ways of making private representations which may prove more or less effective. For instance, South Africa is sure to want something from the Imperial Government sooner or later. That would be an opportunity for the Imperial Government to bring pressure to bear upon the Union to secure justice to us. I fear the Imperial Government does not quite realise the bitter intensity with which the people of India feel and resent the treatment meted out to their countrymen in the Transvaal.

If they did this, I do think that some way would be found out of the present difficulty, satisfactory to both sides. After all it is only a modest demand which the Indians are making, and it is difficult to believe that the Imperial Government can do nothing in the matter.

But gentlemen, this resolution does not merely confine itself to an appeal to the Imperial Government. It also appeals to the Government of India whose sympathies with us in this matter are well known. The four Colonies of South Africa are now united and they are jointly responsible for any further legislation in matters affecting Indians. Now from the Indian standpoint Natal is the vulnerable point of the Union, and we call upon the Government of India to strike at this point; for if ever retaliation is justified, it is justified in this case. Natal needs Indian labour—it imported about 8,000 indentured Indian labourers in 1905; 11,600 in 1906; over 6,000 in 1907, and over 3,000 last year. The recruitment takes place in this country under the authority of the Government of India, and by simply withdrawing the authority, the Government of India can stop this migration of Indian labour to Natal. The Government can very well say to South Africa, as Lord Curzon said to the Transvaal five years ago, you must treat free Indians throughout South Africa in a reasonable and satisfactory manner. Otherwise we will not help you any more with Indian labour. We respectfully call upon the Government of India to take up this attitude, not only for the sake of the Indians in the Transvaal but also for the Indians in Natal itself. For it was well known that Natal treats Indians in that Colony disgracefully. The condition of our indentured labourers there is not far removed from that of slavery. Indian traders are harassed in numberless ways. There is no provision whatever for the education of the children of free Indians beyond the primary stage, and none even for the primary education for the children of indentured labourers. And there are several other grievances of a similar nature. Last year Natal tried to pass two laws, one withdrawing the Municipal franchise from the Indians which they at present enjoy and the other intended to

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eliminate the whole free Indian element from the Colony in the course of ten years. Fortunately both these laws were disallowed by the Imperial Government. Natal really deserves no consideration at our hands, and I earnestly trust that the Government of India will show no such consideration.

One word more and I have done. The root of our present troubles in the Colonies really lies in the fact that our status is not what it should be in our own country. Men who have no satisfactory status in their own land, cannot expect to have a satisfactory status elsewhere. Our struggle for equal treatment with Englishmen in the Empire must therefore be mainly carried on in India itself. Then again we must remember that it is bound to be a long and weary struggle. It will require again and again sacrifices and sufferings such as those of our Transvaal brethren, and it will bring up repeated failures before we achieve final success. But suffering, or no suffering, failure or success, we owe it to our motherland to carry on this struggle with stout hearts and full faith in the justice of our cause. And I for one have no doubt in my mind about the ultimate issue.

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## PART IV.

# PERSONAL.

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A. O. HUME.

*[The following is the indirect version of a speech delivered by Prof. Gokhale at a public meeting held in 1894 in Poona in bidding farewell to Mr. A. O. Hume:—]*

Mr. Gokhale began by saying that it was a high privilege to be asked to offer welcome to so eminent a benefactor of India as Mr. Hume, and the welcome that he offered was offered not only on behalf of the people of Poona, but in the name of the entire Deccan, representatives from the various districts of which had thought it their duty to be present on that occasion. It was impossible for him to adequately express how deeply grateful they all felt to Mr. Hume for the immense sacrifice of personal comfort and convenience at which he had snatched, in his indifferent state of health and after a very fatiguing journey, a few hours to gratify their dearly cherished wishes and honour their city with that visit. The speaker, however, wanted to say that no one was surprised at the trouble Mr. Hume had taken; because his conduct in that matter was only in keeping with that absolute disregard of self which had all along been the guiding principle of his life. Mr. Gokhale was aware that nothing was more repugnant to Mr. Hume than any demonstration or even an expression of the feelings by which he was regarded by the people of the country; but he would ask him to remember that, when the gratitude of the heart was deep and strong, it gave an irresistible impulse to the tongue to speak. And if, therefore, in what little he intended to say, he appeared not to act quite in accordance with



Mr. Hume's wishes, he trusted Mr. Hume would excuse him on the ground that what he wanted to say came straight from the heart and there was no art about it. Any one who compared the India of to-day with what she was seven or eight years ago, would at once realize the enormous nature of the services rendered by Mr. Hume to the country. All that the Indian National Congress had done during the seven years of its existence was principally Mr. Hume's work. What it was exactly that the Congress had achieved it was unnecessary for the speaker to state at length, first, because that question had been repeatedly dealt with in an infinitely abler and more eloquent manner than any he could ever hope to attempt, by successive Presidents of past Congresses, and secondly, to speak of that in the presence of the Father of the National Congress was something like holding up a candle-light to the face of the eternal and glorious source of all light. Mr. Gokhale, however, wanted briefly to refer to four results which were principally due to the Congress. First, the Congress had welded together all the influences in the country which were struggling, scattered, to create throughout India a sense of common nationality. The influences had not been created by the Congress. They had come into existence along with British rule in this country, and they had been tenderly nursed by the wise and large-hearted policy of successive generations of statesmen, and notably that of the Marquis of Ripon. But although the influences were already in existence, it was reserved for the Congress to unite them together and produce a result owing to which the heart of Bombay throbbed to-day in unison with that of Bengal or Madras in matters of national welfare. The Congress had also made public opinion in India more enlightened and more influential. The movement had spread far and wide in the land a considerable knowledge of the main political questions, and the result was that public opinion was better informed now than before. It also carried more weight with Government and no more eloquent testimony on the point was required than the fact that Lord Lansdowne himself had recognised in the Congress the Liberal party of India.

Then owing to the Congress movement, the main political questions of the country were advancing, some slowly, some rapidly, but all of them advancing towards a state of satisfactory solution. And lastly, the Congress supplied a ready machinery to those English politicians who realized their vast responsibilities in connection with India and who were anxious to do their duty by the people of this country. One peculiarly glorious circumstance connected with British rule, according to Mr. Gokhale, was that this country had never lacked distinguished, disinterested advocates of her cause in England. The speaker mentioned the services rendered by Edmund Burke to this country a century ago, and said that it was for such services that the names of Bright and Fawcett—and, last but not least, Bradlaugh—had become household words with the people. The four results mentioned by the speaker were the work of the Congress and as such they were principally the work of Mr. Hume's hands; and surely it was not given to a single individual to achieve more. Mr. Hume's path, again, had not been smooth. He had to work amidst the repeated misunderstandings of well-meaning friends and the unscrupulous attacks of determined enemies. But as though those difficulties had not been sufficient, it had pleased Providence to send him more trying ordeals. In the space of the past two years a domestic affliction, sad and heavy at all times, but peculiarly sad and heavy in old age when the mind of man is rather conservative in its attachments, had rendered his home desolate and his hearth cheerless; while his public life was embittered by the sad and untimely loss of his best and most eminent co-worker in England and his most beloved and trusted collaborator in India. The difficulties and misfortunes mentioned by the speaker were more than sufficient to break the spirit of most men; but Mr. Hume continued, in spite of them all, to walk firmly and unshaken in the path of duty chosen by himself. When the people of India contemplated all that, naturally their hearts overflowed with feelings of gratitude and admiration and veneration and love. For Mr. Hume had enabled India, for the first time in her history, to breathe and feel like one nation by bringing together men of

enlightenment and patriotism for the various parts of the country to work in a common cause. He had tried to steady their faltering footsteps and turn their weak accents into firm speech. He had toiled for them in the midst of calumny and contumely of every kind, amidst the wicked attacks of avowed enemies and the more wicked stabs of false friends. For their sake he had denied himself the comforts which old age demanded and to their service he had devoted his time, his energy, his talents, his purse, his all. Above all, he had set them a high and glorious example as to how they should labour for the regeneration of their motherland. Such had been Mr. Hume's services and they were above any memorial or reward. Rather their own reward they were, and in themselves they constituted a memorial more lasting than brass and more enduring than marble. In conclusion, Mr. Gokhale expressed the great regret of all assembled there that Mr. Hume was not coming out for the next Congress. The melancholy circumstances of Pandit Ajudhyanath's death rendered it, in the speaker's opinion, necessary that the next Congress should have the guidance of Mr. Hume's hand. However, as Mr. Hume's decision had been already finally made in the matter, they had to bow to it as meant for the best. Mr. Gokhale was also very sorry that Mr. Hume's stay in Poona should have been so extremely short that they had to blend their welcome and their farewell together. But as even in that matter Mr. Hume had already made final arrangements, nothing remained for him but to wish Mr. Hume and his daughter a happy voyage and a very happy time in England and to bid him farewell in the words which he himself had used in the case of Lord Ripon :—

Farewell, farewell, a nation's love  
A nation's prayers watch o'er thee.  
Nor space nor time can part thee e'er  
From hearts that here adore thee.

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## LORD NORTHBROOK.

*[The following speech was made by Mr. G. K. Gokhale at the Congress held at Lahore in 1893, in proposing the resolution to render thanks to Lord Northbrook for his endeavouring to reduce the Home Charges and praying the House of Commons to appoint a Committee to settle the matter :—]*

Mr. President, Ladies and Gentlemen,—The resolution I have to propose is as follows :—

*That this Congress tenders its most sincere thanks to Lord Northbrook for his powerful advocacy of India's claim to have her burden of Home Charges reduced, and respectfully entreats the House of Commons to appoint at an early date a Committee of their Honourable House to arrive at some equitable settlement of the matter.*

Many of you may be aware that in the month of May last a very important debate on this question took place in the House of Lords on a motion brought forward by Lord Northbrook and in the course of that debate many serious and damaging statements were made by responsible statesmen on both sides; so much, indeed, that if ever the Government of the country were put on its trial I should be content to frame the indictment on those admissions. It was admitted during that debate that year after year, in spite of the protests from Secretaries of State and Viceroys of India burdens were thrown on the Indian exchequer, which properly belonged to England. It was admitted by Lord Kimberly that this was because the India Office was powerless against the combined forces of the Treasury and the War Office. Another important statement was made by the Duke of Argyll. His Grace said in a low tone, possibly because he wanted to say it in a whisper, that the people of the country should not hesitate in the matter and that the grievance should be remedied before the impression got abroad in India that there was such a grievance. But the Duke of Argyll does not

seem to know that from this very Congress platform, Mr. Wacha has year after year protested against the Home Charges and that long before this Mr. Power, Mr. Nowrojee Furdonjee and other gentlemen raised their powerful voices against this unjust burden. If you look at the Home Charges, particularly during the last thirty years, you will see that the figures have increased from £7,000,000 to £16,000,000, and if you calculate the value in rupees, they have risen from seven to twenty or twenty-six crores. At the same time, it is only fair to state that a large part of this increase is of such a nature that we cannot claim any sort of redress from the House of Commons in regard to it, because there have been loans taken by the Government of India in England and the interest on these must be paid. There are particular two items in regard to which we have a right to ask for redress and these are the expenditure incurred in connection with the India Office and that in connection with the Indian Army in England. I will pass over the expenditure in connection with the India Office because although that Office pays, and liberally pays, the respectable and at the same time useless and mischievous old gentlemen, it is comparatively a small matter and may be left for the present. In regard to the Home Military Charges, if you look at the figures for the last thirty years you will find they have risen from £2,000,000 to over £5,000,000 or if you calculate the value in rupees, it is a rise from two crores to eight crores or just fourfold. The Recruiting Charges are a heavy item. The men cost the War Office £19 per head, but India is charged £105 a man. It has been said by no less an authority than Sir Charles Dilke that the whole sum which is about seventy-five lakhs of rupees may be saved if the Indian Government are allowed a free hand and have the right to recruit for themselves. The Stores Charges is a varying quantity. It is never less than about fifty lakhs of rupees and last year it was nearly a crore. It is very discreditable that the War Office charges not merely an extravagant price but it tries to make a profit out of the contracts. As to the Indian trooping services, there are a certain number of ships built at India's expense to bring the soldiers here and to take them back again and the expenditure on them

is very great. Now my point is that the British troops might be brought and taken away like private passengers in other steamers instead of these big ships, which are five months in the year lying idle and mean a very large and useless expenditure. Another item is the payment made to the War Office for pensions to the troops which is about a third of a million. Last year Lord Northbrook raised his powerful voice against it and showed that during the last twenty years England had taken more than four millions beyond what it was entitled to take. There are other items which might be mentioned, but I may say that any one who closely studies the subject will arrive at the conclusion that about a million pounds or one and a half crores of rupees per annum can be saved to the Indian Treasury if there is a more reasonable and more equitable adjustment of the charges. There is a sort of partnership between India and England which strongly reminds me of the dwarf and the giant in Goldsmith's *Vicar of Wakefield*. There have been occasions on which England borrowed troops from India, and there have also been occasions when India had to borrow troops from England. Whenever England borrowed troops she forgot to pay, but when India borrowed them she had to pay all the ordinary and the extraordinary expenses; and in some cases even the charges for recruiting the soldiers had been extorted from India. In regard to all these matters it is but just and right that we should complain and Lord Northbrook is entitled to our best thanks for his powerful services. In the first place, the resolution proposes to express our best thanks to him for his powerful advocacy of India's just claims and in the second place, it entreats the House of Commons that it will listen to us in an attentive manner and appoint a Committee in order to consider the whole question so that ultimately a fair adjustment of the charges may be arrived at. With these remarks I leave the resolution before you for your unanimous adoption.

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## DADABHAI NAOROJI.

*[Presiding over a public meeting in Bombay in September 1905 on the occasion of the celebration of the eighty-first birthday of Mr. Dadabhai Naoroji, the Hon. Mr. Gokhale delivered the following speech :—]*

Ladies and Gentlemen,—I thank you sincerely for the honour you have done me in asking me to take the chair on this occasion. To my mind, it is great privilege to be called upon to take a prominent part in this celebration. A public celebration of the birthday of a private individual is a unique event in any land, and its value is increased a hundredfold when, as in this case, diverse classes and creeds join in paying the homage. Mr. Dadabhai must have received, during his long and illustrious life, innumerable proofs of the intense devotion with which he is regarded by all classes of the people in this country ; but I doubt if any expressions of admiration and gratitude—even the most enthusiastic demonstrations ever held in his honour—could equal in their significance this annual celebration of his birthday, which is now instituted, not only in Bombay, but also in other parts of India.

Gentlemen, what is the meaning of this great gathering here to-day ? How is it that Mr. Dadabhai has in course of time attained in the hearts of millions of his countrymen, without distinction of race or creed, a place which rulers of men might envy and which in its character is more like the influence which great teachers of humanity have exercised in those whose thoughts and hopes and lives they have lifted to a higher plane ? To us he is not merely a great political leader—the foremost of our time, and for the last half a century. It is because he embodies in his person all that is high and noble in our land and stands as the sacred representative of our national aspirations for the future, that our deepest devotion is given

to him. He had attained this position before many of us were born, and few are those among us whose earliest awakening to the claims of nationality has not been influenced by his teaching and his example. Gentlemen, eight years ago, when Mr. Dadabhai first saw the light of day, if any one had ventured to predict that he would one day stand forth as the most trusted spokesman of a united India, such a man would have been set down as a dreamer of wild dreams. In 1825, the power of the Mahrattas had just been overthrown. And though the first generation of British administrators—foremost among whom will always stand the honoured name of Elphinstone—had taken in hand the work of consolidation in a spirit of wise and liberal statesmanship, the people on this side were naturally sullen and discontent and not without a vague expectation that their own Government would return some day. Western education had then hardly begun—the Charter Act of 1833 was yet some way off—and the idea of the different parts of this great country drawing together in a common feeling and a common aspiration could have been no more realised even mentally than is the idea of a united Asia realized by us to-day. I think it is to the infinite honour of British rule and the wise and large-hearted policy followed in the administration of the country—especially in matters of education—that what was then almost difficult to conceive has now already become a fact and a reality. And to Dadabhai and the earliest band of Indian reformers, that worked with him, belongs the credit of understanding aright the true meaning of the new order of things and the possibilities that it implied for their countrymen, and of throwing themselves heart and soul into the work of realizing those possibilities in practice. Since then, one generation of workers has entirely disappeared from the scene and of the next only a few are left—may they remain long with us!—to guide us. But Dadabhai has all through remained in the forefront of the movements and neither age nor disappointment has chilled his ardour nor has absence diminished his hold on his countrymen. This political agitation which has grown from small beginnings to its present proportions has been watched over by



him with the tender solicitude of a parent. To him its success or failure has meant the success or failure of his own life. And he has known it in all its phases—when hope and faith were strong, as also when the sky was overcast with clouds. In celebrating, therefore, Mr. Dadabhai's birthday to-day, we honour one who has been a visible embodiment of our struggles and our aspirations for more than half a century and we lift up our hearts in humble gratitude to the Giver of all Good that a life so wholly consecrated for the service of our motherland has been spared so long.

And, gentlemen, what a life it has been ! Its sweet purity, its simplicity, its gentle forbearance, its noble self-denial, its lofty patriotism, its abounding love, its strenuous pursuit of high aims—as one contemplates these, one feels as though one stood in a higher presence ! Surely there must be hope for a people that could produce such a man, even if, as Mr. Ranade once said, he be only one in three hundred millions ! But, gentlemen, it is unnecessary for me to dwell on the personal qualities of Mr. Dadabhai before a Bombay audience. Rather would I utilize the minutes for which I may still claim your indulgence for a brief reference to his principal teachings, round which a certain amount of controversy has of late gathered. No one has been more warm than Mr. Dadabhai in his acknowledgment of the great benefits which British rule has conferred on us. But he was the earliest to perceive—and throughout his long career he has ceaselessly endeavoured to make the ruling nation realize this—that these benefits are marred by two great evils—one material and the other moral. The material evil is the large drain of wealth that takes place year after year from this country; the moral evil is the steady dwarfing of the whole race owing to its exclusion from all high and responsible offices. Now, I think on both these points Mr. Dadabhai's position is unassailable. Take the drain of wealth first : Mr. Dadabhai has all these years contended that a large proportion of the wealth of the country goes out of it annually without a material equivalent. And this includes not merely the pension and fur-

lough charges of European officers, payments to the War Office for European troops, and other expenses in England of the Indian Government, but the profits earned and sent out of the country by European merchants, the savings of English lawyers, of English doctors, of Europeans in Civil and Military employ—and he calculates that this drain amounts to at least twenty millions sterling a year. Now, whatever justification may be urged for this drain on grounds of expediency or of political necessity, from the purely economic point of view, it is so much wealth drained from the country, because no material equivalent is left in its place. The services which are rendered by these men would, in a normal state of things, have been rendered by Indians themselves, but in the present abnormal situation, they keep this number of Indians out of employment, and help to carry away so much wealth from the country without material equivalent. Now, even if India had been a wealthy country, such an annual drain would have been a most serious matter; but it is now admitted on all hands, even by the most inveterate official optimists, that India is one of the poorest countries in the world, and Mr. Dadabhai's contention is that this annual drain of wealth practically wipes out the country's margin for saving, and as industry is limited by capital and capital can result only from saving, this drain makes the industrial development of the country by the children of the soil a practical impossibility. As regards our exclusion from high and responsible offices, his position is equally clear. When we agitate for admission to the higher ranks of the public service, it is not merely that we want a few more posts, for our countrymen; though, even if it were only that, there is nothing in it to provoke as neer. But, as a matter of fact, our claim is for a participation in the responsibilities of Government. We want to occupy in our own country places which develop resourcefulness and strength of character and the capacity to take the initiative, and which virtually represent the difference between men who rule and men who merely obey. But then, some of the critics say, Mr. Dadabhai of late has been making use of language which is much too bitter, and which can only rouse a feeling of resentment among members of

the ruling class. Now, gentlemen, I want those who make such a complaint to consider one or two points. Every one knows that Mr. Dadabhai is one of the gentlest men to be found anywhere in the world. When such a man is driven to the use of bitter language, there must be something in the situation to make him so bitter ; and the responsibility for his bitterness must, therefore, lie not on him but on those who make the situation what it is. Again, take the writings of Mr. Dadabhai of his earliest years ; take even his writings of middle age ; and I say, without the least fear of contradiction, that no one will be able to lay his finger on a single word which can in any way be described as bitter. If latterly he has been using language which to some may appear too strong, it is because he finds that he has been all these years like one crying in the wilderness ; also because he finds, as we all find, that for some years past the ideals of British rule in this country are being steadily lowered. Further, ladies and gentlemen, a man of Dadabhai's great age and lifelong devotion to the best interests of his country may well claim to state the naked truth as he perceives it without any artificial embellishments such as you or I are expected occasionally to employ. I think Mr. Dadabhai stands to-day in the position of a teacher not only to his countrymen, but also to the rulers of the land. And whoever has thought of complaining that a teacher does not care to overlay truth with a quantity of soft and plausible expressions ? Moreover, gentlemen, I do not mind Englishmen occasionally making such a complaint, but I really have no patience with those of our own countrymen who, having done nothing or next to nothing for their country themselves, do not hesitate to say that Mr. Dadabhai is injuring the country's cause by the use of violent language. No, gentlemen, whether Mr. Dadabhai uses mild words or bitier words, our place is round his standard—by his side. Whoever repudiates Dadabhai, he is none of us. Whoever tries to lay rude and irreverent hands on him, strike him down.

Ladies and Gentlemen, I have no wish to detain you longer ; but I will address just one word of exhortation to the younger portion of my audience before I conclude. My

young friends, I want you to consider what a glorious example Providence has placed before you in the life of Mr. Dadabhai. The purpose of this celebration will hardly be attained if the enthusiasm kindled in you by a contemplation of his great life were to show itself in the applause with which you greet his name. I want you to ponder over the lessons of that life and try to realize them as far as you may in thought and conduct, so that in course of time they will become a part and parcel of your very being. Gentlemen, a loving and all-wise Providence gives to different people at different times according to their need great men who serve as lights to guide the foot-steps of our weak and erring humanity. There can be no doubt whatever that Mr. Dadabhai has been given to the people of this country as one of such men. To my mind, he is one of the most perfect examples of the highest type of patriotism that any country has ever produced. Of course, none of us can attain to his eminence or to anything like it. It may also be given to very few to have his indomitable will, his marvellous capacity for industry, and his great mental elevation. But we can all of us love the country without distinction of race and creed as he has done; we can all sacrifice something for the great cause which he has served so faithfully and so long. After all, the lesson of sacrifice for the motherland is the greatest to be learnt from Mr. Dadabhai's life. And if only our young men will realize this in their own lives, even partially, however dark the outlook at times may appear, the future is bound to be full of hope.

Ladies and gentlemen, I have to thank you sincerely for having given me a patient hearing.

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## MAHADEV GOVINDA RANADE.

*[The following speech on Mr. M. G. Ranade was delivered by Mr. Gokhale at the Memorial Meeting held in Bombay on the 9th July 1901, and presided over by His Excellency Lord Northcote, the then Governor of Bombay:—]*

I think, my Lord, if ever an Indian in these days deserved to have a memorial voted to him by his loving, grateful, and sorrow-stricken countrymen, unquestionably that Indian was the late Mr. Ranade. For forty years, Mr. Ranade laboured for us, not in one field; but in nearly all fields of public activity, with matchless devotion and steadfastness and with a faith that continued undimmed amidst the severest discouragements. The work that he has done for us, the ideals of individual and collective life that he has placed before us, and the high example that he has given us of a life spent nobly in the service of the country—these will ever constitute one of the most precious possessions of my countrymen. It is true that much of Mr. Ranade's work was rendered possible by the fact that Nature had bestowed on him—and that with no niggardly hand—intellectual gifts of the highest order; but these gifts by themselves had not availed much, if they had not been joined with patient and prodigious industry, a severe discipline, and those great moral qualities, which even singly would have entitled their possessor to great honour among his fellow-men, and which were combined in Mr. Ranade in so equable and harmonious a manner. This resolution says that subscriptions should be invited from all classes in the country to raise a suitable memorial to Mr. Ranade. I think that that is an eminently proper proposal. For no man was more free from race or class prejudices, or more ready to recognize the good points of other communities and co-operate with them for common ends than Mr. Ranade. Indeed, one of the dearest dreams of his life was to have a common platform on which members of the

different communities might stand together for national purposes, and regard themselves as Indians first, and Hindus, Mahomedans, Parsees, Christians, etc., afterwards. There was nothing sectional or narrow about Mr. Ranade's ideals. He desired progress along all lines of human activity and for all classes and ranks of the people, and he desired us, above everything else, to realize the essential dignity of man as man. We all know how faithfully Mr. Ranade lived up to the ideal he set before himself. It was a noble mission in life fulfilled, but the cost he had to pay for it was by no means a light one. I do not speak of the sacrifice of physical comfort which it involved—for no man bore his burden more cheerfully with less desire to complain or with less desire even to rest than Mr. Ranade—but I speak of the mental suffering which he had so often to endure. About eight years ago, in speaking of the late Mr. Telang in this very place, Mr. Ranade described in a passage, which has since become classical, the conflict which two ideals of conduct and two forms of duty constantly presented to the minds of men such as he and Mr. Telang, in the present transitional state of our society. Mr. Ranade had to face this conflict in several spheres of his activity and endure the pain which it often occasioned. Not only had he to lead what he himself called a two-fold existence in social and religious spheres, but in political matters also an apparent conflict sometimes arose between what was due to the rulers by way of a generous recognition of their work and difficulties, and what was necessary in the largest interests of the country; and the effort to reconcile the two duties was not always free from anxiety or pain. But Mr. Ranade accepted all such suffering in the right spirit, looking upon it as a preparation for better things to come. "We must bear our cross," he once said, "not because it is sweet to suffer, but because the pain and the suffering are as nothing compared with the greatness of the issues involved." Another characteristic of Mr. Ranade which I would mention to you was his rigorous habit of constant introspection and the severe discipline to which he subjected himself all through life. No man judged himself more severely, or others more

charitably than Mr. Ranade. The marvellous self-control which he always exercised was no gift of Nature, but was the result of a severe discipline constantly applied to himself. I have seen him having the most ferocious and discreditable attacks on him carefully read out to himself, while complimentary notices of anything he had said or written were asked to be often left unread. It is a mistake to suppose that his temperament was such that the attacks did not pain him. It is true that he lived and moved on a plane of his own far removed "from the madding crowd's ignoble strife." But he had an exceedingly sensitive mind and was keenly alive to every form of injustice. But he accepted this pain for its disciplinary value, and never complained of it even to those who were nearest to him. My friend, Sir Balchandra, has already referred to the extraordinary quickness with which Mr. Ranade discerned and encouraged all earnest workers in the country. He had a wonderful faculty in this respect, and, as a result, he was, to many young men, scattered all over the country, like the central sun from whom they derived their light and warmth, and round whom they moved, each in his own orbit and at his own distance. The feeling of devotion that he was able to inspire in such men was most marvellous, and to those young workers who were privileged to come in intimate personal contact with him, his word was law and his approbation their highest earthly reward. Mr. Ranade, in fact, possessed in the highest degree the ideal attributes of a great teacher. And when such a master is gone from our midst, is it any wonder that we should feel that the light that till now guided our erring footsteps has been extinguished, and a sudden darkness has fallen upon our lives? However, my Lord, we can only humbly trust that He who gave Mr. Ranade to this nation, may give another like him in the fullness of time. Meanwhile, it is our duty to cherish his name, treasure up his example, and be true to his teachings in the faith that a nation that has produced a Ranade need not despair of its future.

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## II.

*[At the 1903 anniversary of Mr. Ranade's death the Hon. Mr. Gokhale delivered the following address to the Hindu Union Club, Bombay :—]*

Mr. Chairman, Ladies and Gentlemen,—In January last, my friend Mr. Padhye invited me, in the name of the Hindu Union Club, to deliver the address at this year's anniversary of Mr. Ranade's death. When I received his letter, I felt at once that it was a call to which it was my duty to respond ; but I was then in Calcutta and there was no prospect of my returning to this side before the end of March. I, therefore, wrote back to explain how I was situated, offering, at the same time, to place my humble services at the disposal of the Club, should it, on any account, be thought desirable to postpone the day of this gathering. The Committee of the Club very courteously accepted my offer, and appointed a day convenient to me. And thus it is that you find me this afternoon standing before you to deliver an address, which should really have been delivered something like six months ago.

Ladies and gentlemen, it was easy for me to say 'yes' to the request contained in Mr. Padhye's letter. It was by no means so easy to make up my mind as to what I should say in the course of my address. You all know that Mr. Ranade had great talents, and they were joined to a prodigious amount of industry, and a singular depth of earnest conviction. And for thirty-five years, this most remarkable man read, and thought, and wrote, and spoke, and worked incessantly, almost without a day's break or holiday. The material, therefore, on which one may base one's address on Mr. Ranade, is bound to bewilder and overwhelm by its very immensity. Indeed, it seems to me to be an easier matter to deliver a series of a dozen addresses on the different aspects of Mr. Ranade's life and



life-work, than to attempt a general discourse such as I am expected to deliver this afternoon. Thus we might speak of Mr. Ranade as a man—one of the saintliest men of our time—one, contact with whom was elevating and holy; or we might speak of him as a patriot, whose love of India overflowed all bounds and whose unwearied exertions for her welfare will always be a bright and shining example to the people of this land; or we might speak of him as a reformer, whose comprehensive gaze ranged over the entire fabric from summit to base, and took in at the same time all parts of it, political, social, religious, industrial, moral and educational; or we might speak of him as a scholar or as a teacher, or again as a worker, I believe, the greatest worker of our time; or we might take his opinions and teachings and the methods that he favoured in the different fields of our national activity and examine them. We might thus have a dozen different discourses, and yet not exhaust our subject. But a general address touching on all these sides of Mr. Ranade's work, and yet avoiding the appearance of mere commonplace observations, is, in my opinion, a most difficult task. In what I am going to say to you to-day, I do not propose to present anything like a critical estimate of Mr. Ranade's career or achievement. In the first place, we are not sufficiently removed from his time. And secondly, I stood too near him to be able to possess that aloofness without which no critical estimate can be usefully attempted. But this very nearness, which disqualifies me, to a certain extent, for forming a critical estimate, gave me exceptional opportunities to become acquainted with his innermost thoughts and hopes, with his ideals and aspirations, and with the main springs of that magnetic influence, which he exercised on all who came in contact with him. And it is of those that I propose to speak here to-day. I will tell you as briefly as I can what it was that struck me most in him during the fourteen years that I was privileged to sit at his feet; what was the faith in him, what sustained that faith in the midst of great difficulties and disappointments; and finally, what message he has left behind for the rising generations of his country, so that the harvest for which

he laboured may be reaped and not lost in the fullness of time.

### HIS PATRIOTISM.

The first thing that struck any one who came in contact with Mr. Ranade, as underlying all his marvellous personality, was his pure, fervent, profound patriotism. In all my experience, I have met only one other, so utterly absorbed, day and night, in thoughts of his country and of her welfare—and that is Mr. Dadabhai Naoroji. To him India's past was a matter of great, of legitimate pride; but even more than the past, his thoughts were with the present and the future, and this was at the root of his matchless and astonishing activity in different fields of reform. Mr. Ranade had realized clearly and completely the great possibilities for us, Indians under British rule and the limitations under which practical work for the country had to be done in the existing state of things. I have heard that when he was at college, his ideas were indeed wilder. The late Mr. Javerilal Bhai once told me that in those days Mr. Ranade once wrote an essay, disparaging greatly the British Government, as contrasted with Mahratta rule. Sir Alexander Grant, who was then Principal of Elphinstone College, and who had great admiration for Mr. Ranade's talents, and a feeling of personal affection for him, sent for him, and, after pointing out to him the error of his views, said to him: "Young man, you should not thus run down a Government which is educating you and doing so much for your people." And to mark his serious displeasure he suspended Mr. Ranade's scholarship for six months. I may state at once that this remonstrance left no bitter feeling behind, for Mr. Ranade, throughout his life, used to speak of Sir Alexander Grant with deep reverence and admiration. With more reading and thinking came sounder views, and the outlook became broader. And, before long, Mr. Ranade came to realize the great mission of his life, and reached that faith which no injustice, no opposition, no disappointment, ever dimmed. His one aspiration through life was that India should be roused from the lethargy of centuries, so that she might become a great and living nation,

responsive to truth and justice, and self-respect, responsive to all the claims of our higher nature, animated by lofty ideals, and undertaking great national tasks. And he came to recognize that the present contact between India and England was a Providential arrangement brought about in order that this aspiration might be realized. His conviction on this point never wavered, whatever happened. Even when he himself was misjudged and misunderstood, here he was firm. He often said to those who were about him that though under the present *Regime* there was less field for personal ambition and less scope for the display of individual talent, there were greater possibilities for the mass of our people, and a great future lay before us, if only we roused ourselves to a true sense of our position, and did not let slip our opportunities.

And it was this belief, ardent and passionate, which inspired all Mr. Ranade's activity in the field of reform. It was not merely love of truth, or impatience of evil that made a reformer of Mr. Ranade—these, of course, were there, but Mr. Ranade was by nature far too gentle and forbearing to cause pain to others by an aggressive attitude towards their religious beliefs or social practices, if that pain could by any means be avoided. There have been reformers—and great reformers—in the history of the world and of India too, who have preached reform and braved persecution for the sake of truth and of conscience, because they heard a Higher voice urging them to proclaim that truth at all hazards. I think such men stand on a pedestal all their own—the highest on which man can stand. Mr. Ranade's platform was not this—he preached reform, not merely because his conscience urged him to do so, but also because his intellect was satisfied that without reform there was no hope for us as a nation. Men who preach truth for its own sake live really for all humanity, though their words are addressed to the people of a particular time and place. Mr. Ranade was content to live and work for his country only, and though he was a careful student of the history and institutions of other people, he studied them mainly to derive lessons from them

for the guidance of his own countrymen. I think this essential difference between Mr. Ranade and other great reformers has to be clearly grasped in order to understand the true character of his work and teachings. Thus Raja Ram Mohan Roy took up his stand against idolatry, because to his mind the worship of idols was wrong in itself, was against truth, and as such called for his denunciation. Mr. Ranade, too, spoke against idolatry, but it was mainly because it gave rise to low and grovelling superstitions, which impeded the progress of the nation towards a higher stage of moral and religious life. I want you to note this point, because it explains much in Mr. Ranade's conduct, which sometimes puzzled his friends. Some of you will remember that, a few years ago, several members of the *Prarthana Samaj* were displeased with Mr. Ranade, because he went to the Thakurdwar temple to deliver discourses on the lives of saints Tukaram, Ramdas and Eknath. What he said in those discourses was, of course, in entire accord with the teachings of the *Samaj*, but the very fact that he, a prominent member of the *Samaj*, should have gone to a place of idolatrous worship for addressing people, gave offence to some. I do not, of course, mean that these gentlemen were wrong in feeling as they did on the occasion. I should probably have felt the same in their place. But Mr. Ranade thought that the discourses were everything—the place where they were delivered was nothing. He wanted his ideas to reach his countrymen and he had no objection to going wherever they were assembled, provided he got an opportunity to speak to them.

#### A WELL-BALANCED MIND.

The next thing that struck us in Mr. Ranade was that he was the most profound thinker among the Indians of our time, with a mind remarkably well balanced and fitted for taking comprehensive views of things and a great sense of justice and proportion. He was never in a hurry to draw conclusions, always seeking to look beneath the surface, and trace results and growths to their hidden causes. His views were based on wide reading and observation, and were the result of mature reflection, and when

once formed, they were urged upon the attention of his countrymen with a force and persistence which could only come of deep and earnest conviction. Again, his comprehensive mind ranged over the entire field of national work, and perceived the necessity of a due co-ordination between different activities—and this made him equally keen for reform in all directions—equally interested in all movements—whether they were for the removal of political disabilities and the redressing of administrative grievances or combating the evils of female ignorance and early maternity and righting the wrongs of widows and the depressed classes, or spreading a correct knowledge of the economic situation of the country, or purifying worship and making it simpler and more spiritual. But while recognizing the necessity of all these reforms, he realized that, above all, it was necessary for the individual man to be renovated in spirit, so that his springs of action might be purer, his ideals nobler, and his practical life courageous and devoted to worthy ends. His ideas on these subjects he preached with great courage, earnestness, and persistence, but never were they marred by any extravagance of thought or speech. And his convictions were never disturbed by any amount of personal wrong or injustice.

#### THE DHULIA INCIDENT.

Many of you probably know that, about twenty-five years ago, there was considerable unrest in the Deccan, and a Poona man, named Vasudeva Balvant, openly rose against the Government, collecting a number of ignorant followers and committing dacoities and plundering innocent people. The Government of Sir Richard Temple somehow took it into its head that the dacoits had the sympathy and support of the leading citizens of Poona—because, I believe, Vasudeva Balvant was a Poona Brahmin—and, among others, their suspicion fell upon Mr. Ranade. It was, of course, a monstrous suspicion, absolutely undeserved, for Mr. Ranade was the recognized inspirer and leader of the constitutional movement in Poona, as against the resort to violent methods, represented by Vasudeva Balvant. However, when, in May 1879, the

two palaces in Poona were set fire to by an incendiary, the Government at once transferred Mr. Ranade to Dhulia—he had already been transferred to Nasik, but Dhulia was thought safer, as being more remote from Poona—and though it was vacation time, he was ordered to leave Poona at once and proceed to Dhulia. This action of Government was so extraordinary that even the High Court subsequently protested against the transfer; and, as a matter of fact, it was Mr. Ranade himself who had detected the culprit and secured his confession. On his arrival at Dhulia, his private correspondence was closely watched for about a month, and, curiously enough, at that very time he began to get letters from the Poona side, purporting to be reports from leading dacoits of what they intended doing. Mr. Ranade could not help concluding that these letters were sent by the Police to ascertain if he really had any relations with Vasudeva Balvant, and he scrupulously handed over to the Dhulia Police all such letters. After a month, during which he often felt bitter in regard to the treatment he was receiving, Mr. Ranade had a talk in the matter with an English officer there—a member of the Civil Service, whose name is well known in this Presidency for his broad-minded sympathy with the people. This officer then expressed his regret at what had been done, assuring Mr. Ranade that Government was satisfied that the suspicion against him was ill-founded. Now, any one in Mr. Ranade's place would have spoken with more or less bitterness, whenever there was occasion to recall the incident. But I remember how, in speaking of it to me, he was careful to add:—"Oh, such misunderstandings are occasionally more or less inevitable in the present state of things. After all, we must not forget that we might have done much worse in their place." It was a striking illustration of his strong sense of justice and of the fact that no amount of personal wrong affected his faith in the character of British rule. Another instance, of a different kind, illustrating how his mind was habitually alive to all the considerations involved in a question, occurred nine years ago, when we were returning from Madras after attending the Congress and the Conference, and when Mr.

Ranade was insulted by a young Civilian at the Sholapur Station, who, taking advantage of Mr. Ranade's absence in a second class carriage (in which the rest of us were travelling) threw down his bedding from his seat in a first class carriage and usurped the seat himself. Mr. Ranade, on being informed of what had happened, quietly went back to his carriage and without one word of remonstrance, sat on the other seat with Dr. Bhandarkar, who was then with us. When the hour for sleeping came, Dr. Bhandarkar, as the lighter of the two, took the upper berth, and gave his own seat to Mr. Ranade. On arriving at Poona, the Englishman, who was then an Assistant Judge, somehow came to know that the gentleman whom he had insulted was Mr. Ranade, Judge of the High Court, and it appeared that he wanted to apologize to Mr. Ranade. Mr. Ranade, however, on seeing him come towards him, simply turned his back on him and walked away. The next day I asked him if he intended taking any steps in the matter. He said:—"I don't believe in those things. It will only be a case of statement against statement, and, in any case, it is not worth fighting about." "Moreover," he asked me, "is our own conscience clear in these matters? How do we treat members of the depressed classes—our own countrymen—even in these days? At a time, when they and we must all work hand in hand for our common country, we are not prepared to give up the privileges of our old ascendancy, and we persist in keeping them down-trodden. How can we, then, with a clear conscience, blame members of the ruling race, who treat us with contempt?" "No doubt," he continued, "incidents like this are deeply painful and humiliating, and they try one's faith sorely. But the best use to which we can put even these unpleasant incidents is to grow more earnest and persistent in the work that lies before us."

#### HIS DEVOTION TO WORK.

Another striking characteristic of Mr. Ranade was his great faith in work. One is filled with a feeling of wonder and awe, as one contemplates the amount of work which this great man did during his life—his mighty brain incessantly engaged in acquiring knowledge

and in imparting it with an enthusiasm and an energy of purpose rarely witnessed in this land. Not only was his capacity for work phenomenal, his delight in it was so keen—he almost seemed to reveal in it. In it he lived and moved and had his being. Apathy, he always said, was our greatest curse in these days. Wrong opinions he could stand; misdirected activity he could stand; but apathy filled him with deep sadness—that he found harder to overcome. He himself approached almost all work with a religious sense of responsibility. Just think of how much work he was able to get through during his life! His official duties throughout were heavy enough; but they did not come in the way of his doing for the country more work in various fields than half a dozen men could have together done. The range of subjects that interested him was wide—philosophy, theology, sociology, history, politics, economics—all seemed to interest him equally. His reading in respect of them was vast, and he tried, as far as possible, to keep himself in regard to them abreast of the times. Then in politics it is well known that, for nearly a quarter of a century, he was the guiding spirit of the Poona Sarvajanik Sabha. All the best work of the Sabha, in its palmy days, either came from his hands direct, or else had to pass through them. About two-thirds of the articles that appeared in the Quarterly Journal of the Sabha, during its seventeen years' existence, were contributed by him. Under his guidance, the Sabha had attained the first position among the political associations of the country, and its representation, for a number of years, had admittedly far more weight with Government than those of any other Indian organization. In the field of social reform, his activity was boundless, almost from the day he left college to the hour of his death. Constantly writing, speaking, discussing, advising, helping, he took a leading part in every reform movement of his time. Of the Social Conference, he was the father and founder, working for it with a faith that was a sight for gods and men. His interest in religious reform was also deep and continuous, and I have never heard anything richer than some of his sermons. He was a profound thinker, and a frequent writer on economic subjects, and his studies in



Indian Political Economy are a valuable guide to those students who wish to apply their knowledge of Political Economy to the practical conditions of India. He was one of the principal organizers of the Industrial Conference that used to meet in Poona for some years, and of the Industrial Exhibition that was held during the time of Lord Reay. And most of the industrial and commercial undertakings that have sprung up in Poona during the last twenty years owe a great deal to his inspiration, advice, or assistance. He has left us a History of the Mahrattas, though unfortunately it is incomplete. While in Bombay, he used to take a leading part in the affairs of the University, and Mr. Justice Candy, the late Vice-Chancellor, has borne willing and eloquent testimony to the value of his work in the Syndicate. In addition to all these activities, Mr. Ranade carried on a voluminous correspondence with numerous friends and followers all over India. For a number of years, he received and replied to over twenty letters a day, and these concerned a wide variety of subjects, from petty matters of mere domestic interest to high questions of State policy. He was in touch with every earnest worker throughout India—his heart rejoiced when he met an earnest worker—he noted such a man with unerring judgment, and kept himself in communication with him ever after. But it was not merely the amount of work that he did, which excited our admiration. The spirit in which he did it was, if anything, even more wonderful.

#### HIS OPTIMISM.

Speakers and writers have often remarked on Mr. Ranade's robust optimism, which they have regarded as a part of his mental constitution. No doubt, to a certain extent, it was so. He had a temperament which was essentially hopeful. It was this which made him note and gather together for use even the smallest signs of progress visible in any part of India. To a certain extent also his optimism sprang from the fact that his horizon was wider than that of others—he saw as from a mountain-top, when others could see only from where they stood on the plain below. But

it always appeared to me that Mr. Ranade's great optimism was mainly the result of his being so magnificent a worker. It is generally those who do not work—who do not realize the dignity and the power of work—that give themselves up to preaching the gospel of despair. Mr. Ranade was profoundly convinced that if only our people worked earnestly, their future was in their own hands. Work was to him the one condition of national elevation, and having fulfilled it so gloriously in his own case, it was not possible for his mind to be weighed down by thoughts of despondency. About twelve years ago, in speaking of the Social Conference and of its unpopularity, I once ventured to ask him what it was that sustained his faith in the Conference work, seeing that some of the best friends of social reform shook their heads, and said that nothing was to be achieved by such hollow work as holding meetings and passing resolutions. Mr. Ranade turned to me and said: "Not that the work is hollow, but the faith in these men is shallow." After a little pause, he said: "Wait for a few years. I see a time coming, when they will ask the same question about the Congress, which, at present, evokes so much enthusiasm. There is something in the race which is unequal to the strain of sustained exertion." For himself, Mr. Ranade had clearly realized that patient and long-sustained work was necessary before any appreciable results could be achieved. A remark of his made to me in, I believe, 1891, has firmly fixed itself in my memory. In that year there was severe scarcity in the districts of Sholapur and Bijapur. The Sarvajanic Sabha, of which I was then Secretary, had collected a large amount of information about the condition of those districts, and a representation on the subject was in due course submitted to Government. It was a memorial, in the preparation of which we had spent considerable labour and thought. Government, however, sent us a reply of only two lines, just saying that they had noted the contents of our letter. I was greatly disappointed when we received this reply, and the next day, joining Mr. Ranade in his evening walk, I asked him:—"What is the good of

taking all this trouble and submitting these memorials, if Government don't care to say anything more than that they have noted the contents of our letter?" He replied: "You don't realize our place in the history of our country. These memorials are nominally addressed to Government, in reality they are addressed to the people, so that they may learn how to think in these matters. This work must be done for many years, without expecting any other result, because politics of this kind is altogether new in this land. Besides, if Government note the contents of what we say, even that is something."

Another notable feature of Mr. Ranade's work was his readiness to play any role that was necessary, however humble it might be. In the building of the temple, he did not insist upon being assigned the architect's part; he was willing to carry bricks and stones on his back, so the edifice was raised. In the performance of public duties, he was prepared to bear personal humiliation, if thereby public interests could be furthered. A striking instance of this came to my notice within a few months of my going to Poona in 1885. In that year our Municipal Boards were reconstituted in accordance with the liberal legislation of Lord Ripon's Government. The elective system was for the first time introduced, and the elections in Poona aroused an extraordinary amount of interest. Before that year, the Municipal regime in Poona had been virtually official, and Mr. Ranade was anxious that in the new Board the popular element should have a chance of administering the affairs of the city. Unfortunately, another distinguished citizen of Poona—the late Mr. Kunte—came forward strongly to support the official side. Mr. Ranade and Mr. Kunte had been great friends from their childhood, having been class-fellows from the very beginning. Mr. Kunte's support of the old regime, however, drew from Mr. Ranade a sharp remonstrance, and Mr. Kunte, who was a powerful speaker, immediately organized a series of ward-meetings to oppose the popular party. Feeling for a time ran very high; and it appeared that Government would misunderstand the character of the struggle then going on. Mr. Ranade, therefore, thought it necessary to

conciliate Mr. Kunte and with that object, he attended one of Mr. Kunte's meetings, though it was known that Mr. Kunte indulged in strong denunciation of Mr. Ranade personally at almost every one of his meetings. The meeting in question was held in Raste's Peth. It was in the hall of a private house, and we were all squatting on the floor and Mr. Kunte was addressing us from one end of the hall, the door being at the other end. After Mr. Kunte had spoken for some time, Mr. Ranade's figure was suddenly seen entering the hall. He came and squatted on the floor near the door like the rest of us. Mr. Kunte immediately turned his back upon him, and, therefore, practically upon the whole audience, and, after a few words uttered with his face to the wall, abruptly closed his speech. On his sitting down, Mr. Ranade left his seat and went and sat by him. After the meeting was over, Mr. Ranade invited Mr. Kunte to go with him in his carriage for a drive. Mr. Kunte, however, roughly, said: "I don't want to go into your carriage," and he went and took his seat in his own carriage. Mr. Ranade, however, quietly followed him, and after saying "Very well, if you won't go with me in my carriage, I will go with you in yours," he stepped into Mr. Kunte's carriage. After this it was impossible for Mr. Kunte to avoid Mr. Ranade, and they went out for a long drive, and everything was satisfactorily settled before they returned. Mr. Kunte's anger was appeased, and his opposition to the popular party wholly withdrawn.

#### HIS SAINTLY DISPOSITION.

I have so far spoken of Mr. Ranade's comprehensive intellect, the balance of his mind, his patriotism and his great passion for work. A word or two I will add about the nobility of his nature—his saintly disposition, which, even more than his great intellectual gifts, won for him the devoted admiration and attachment of large numbers of his countrymen throughout India. It is no exaggeration to say that younger men who came in personal contact with him felt as in a holy presence, not only uttering 'nothing base' but afraid even of thinking unworthy thoughts, while in his company. The only other man who

has exercised a similar influence on me in my experience is Mr. Dadabhai Naoroji. Among Mr. Ranade's great qualities, one of the most prominent was his utter, absolute unselfishness. As I have already told you, he was incessantly working in several fields, but never did he seek the least recognition, never did he think of his getting or not getting credit for this or that. Indeed, nothing pleased him more than to do his work—not only political but almost of every kind—from behind somebody else. His great anxiety was to get more and more men to be interested in and associated with the work. I do not think anybody ever heard Mr. Ranade say:—"I did this, I did that." It was as though the first person singular did not exist in his vocabulary. The humility with which he sought to discipline himself almost to the last day of his life was another of his great qualities. By nature he was very sensitive, feeling keenly injustice or meanness in any shape or form; but his constant effort to discipline himself enabled him to preserve his calmness under the most trying circumstances. The normal state of his mind was indeed one of quiet cheerfulness, arising from a consciousness of work well done, and from humble faith in the purpose of Providence. But even when he was seriously displeased with anything, or disappointed with any one, or suffered inwardly owing to other causes, no one, who did not know him intimately, could detect any trace of that suffering on his face. And never did any one—not even those who stood nearest to him—hear him utter a word of complaint against those who might have done him personal injury. He insisted on having all attacks on him in newspapers carefully read out to him. He was constantly before the public in one capacity or another, and his views, therefore, came in for a good deal of criticism—friendly and unfriendly—almost from day to day. The appreciative notices that appeared he did not always read through—I know, because I sometimes had to read the papers to him—he rarely read them himself, his sight being defective. But all unfriendly criticism he made a point of hearing. He wanted to know if there was any idea therein that he could accept. And in any case, even if there was pain in hearing all that

was said, that pain itself had its disciplinary value. One more great quality of his I would like to mention on this occasion, and that was his readiness to help all who sought his help—and especially those who were weak and oppressed. He was accessible to all—even the humblest—at all hours of the day. No one ever wrote to him without receiving a reply. He listened patiently to every one, whether he was able to help or not. This indeed was to him a part of his practical religion. After the Amraoti Congress of 1897, when we were returning to this side, he and I were, for one night, the only occupants of our carriage. At about 4 A.M. I was suddenly roused by some singing in the carriage, and, on opening my eyes, I saw Mr. Ranade sitting up and singing two *Abhangs* of Tukaram again and again, and striking his hands together by way of accompaniment. The voice was by no means musical, but the fervour with which he was singing was so great that I felt thrilled through and through, and I too could not help sitting up and listening. *The Abhangs* were:—

जे कां रंजले गांजले । त्यांसी ह्याये जो आपुले ।

तांचि साधू ओळखावा । देव तेथेंचि जायावा ॥

करिं मस्तक ठेंगया लागें संतांच्या चरया ।

जरि व्हावा तुज देव । तरि हा सुखभ उपाव ॥

“He who befriends the weary and the persecuted—he is a true saint and God himself is to be found there;” and “Be you humble and seek the favour of saints. If you want to meet God, this is an easy way.”

As I sat listening to these verses, I could not help realizing how constant was Mr. Ranade’s endeavour to live up to this teaching, and how simple and yet how glorious was the rule of life that it inculcated! It was a rich moment in my own life. The scene indeed will never fade from my memory.

#### THE MESSAGE OF HIS LIFE.

Ladies and gentlemen, I have told you as briefly as I could what it was that most struck me in Mr. Ranade.

I think that for about thirty years he represented our highest thought and our highest aspiration, and it will be long before we shall have another like him in our midst. It is almost a significant circumstance that Mr. Ranade has passed away at the commencement of a new century, which should have opened for us full of hope and encouragement, but which in reality finds us filled with deep despondency and gloom. That voice—so calm, so faithful, so full of hope—is now hushed in the silence of death; and yet it was now that our need of it was the greatest. A kind of despair is setting on the minds of some of our foremost workers. I grant that there is much in the present juncture to try our faith and justify such despair. The middle and lower classes of our community seem to be slowly but steadily sinking lower and lower in various parts of the country. And we seem to be losing ground in several directions in the great struggle in which we are engaged. But I am sure it is only a passing phase, and in any case, in giving ourselves up to such despondency, we show ourselves unworthy of the work that Mr. Ranade did for us, and of the legacy ~~that~~ he has left behind him. You remember how we wept for him when he died. Never before had such universal grief been witnessed in this land. It was as though a mighty wave of sorrow swept over the whole country, and every one—high and low, rich and poor—was equally touched by it. But our duty towards Mr. Ranade is surely not done by merely mourning his loss. The message of his life must be recognised by us, especially by the younger generations, as sacred and binding. The principles for which he laboured all his life—greater equality for all, and a recognition of the essential dignity of man as a man—are bound to triumph in the end, no matter how dark the outlook occasionally may be. But we can all of us strive to hasten that triumph, and herein lies the true dignity of our life:—"Work and sacrifice for the Motherland." This is the message which Mr. Ranade has left us. And, my friends, our Motherland, whatever may be her present condition, is worthy of the best work we can give her, of the highest sacrifice we can make for her. She was at one time the home of all that is great and

noble in the life of a nation—a noble religion, a noble philosophy and literature and art of every kind. This great heritage is ours; and if only we remember this and realize the great responsibility which it imposes upon us, if we are true to ourselves and are prepared to live and work for her in the spirit of our departed leader, there is no reason why her future should be in any way unworthy of her past.

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### III

*[On the morning of Sunday, the 24th July 1904, the Hon. Mr. Gokhale was invited to lay the foundation-stone of the Ranade Library and South Indian Association at Myslapore. In doing so, he spoke as follows:—]*

Mr. President and Gentlemen:—I must, in the first place, tender to the promoters of this memorial movement my most sincere and grateful thanks for the great honour which they have done me in asking me to lay this foundation-stone. When I was first apprised of your intention to ask me to perform this function, I confess I was greatly astonished that your kindness for me personally should have carried you so far as to make you lose sight of certain obvious considerations, and that you should have decided to ask one who was comparatively a junior worker in public life to undertake a duty, ordinarily reserved, and very properly reserved, only for men who held distinguished positions in life or had grown grey in the service of their country. However, I found that it was impossible for me to get out of the position without upsetting all your arrangements and causing you serious inconvenience, and thus it is that you find me coming before you this morning in a capacity in which I would not have appeared, had the matter rested with me only. Gentlemen, to me as a Mahratta and as one whose privilege it was to sit humbly and reverently for more than 12 years—the allotted period of discipleship in this land—at the feet of Mr. Ranade, it cannot fail to be a matter of deep gratification and pride to see that a memorial of this kind is being raised in his honour in this capital of the Southern Presidency. We, on the Bombay side, are, of course, having our memorials to him. There is first of all the Bombay movement, whose fund now stands at about Rs. 20,000, which I understand is going to be devoted to the erection of a Statue. Then there is the movement at Poona. Our fund we expect to exceed a

lakh of rupees and we purpose to devote it to the founding of an Economic Institute, intended to encourage the study of economic questions and to promote the industrial development of this country. Then there is the Social Conference memorial, which was inaugurated two years ago at Ahmedabad and which is intended to carry on Mr. Ranade's work in connection with social reform. We are thus trying to do what little we can to express our sense of the deep and undying gratitude we owe to Mr. Ranade. We came under the influence of his work and his thoughts, and we owe it to ourselves to show that his memory is to us a most cherished possession. But, gentlemen, that you in Madras should also think it necessary to raise a memorial in Mr. Ranade's honour is, to my mind, a circumstance of deep significance—illustrative of the new spirit which is moving on the face of the waters, of the new life with which the dead bones in the valley are becoming slowly instinct. What is the meaning of this memorial which you are raising here to-day? I interpret it as a recognition of the fact that Mr. Ranade was a man who belonged not to one province, but to the whole country, not to one race or caste, but to all the races and castes and creeds that are to be found in India. And the work that he gave to the country as a whole is regarded with love and reverence by all, irrespective of the differences of place or language. How came Mr. Ranade to receive this recognition, and what was the character of his work that it should be so cherished by his countrymen? Of course, we all know that Mr. Ranade was a pre-eminently great and a pre-eminently good man—a great thinker, a great scholar, a great worker, a saintly person in private life. But this by itself would not have sufficed to bring him so close to the hearts of his countrymen as we know him to be, and as this great gathering so well illustrates. And a man must enter largely into a higher life and must win a prominent place in our hearts, before the people will come forward to honour his memory after death. I have already said that Mr. Ranade was a pre-eminently great and a pre-eminently good man. But he was more. He was one of those men who appear, from time to time, in different countries and on different occasions, to

serve as a light to guide the footsteps of our weak and erring humanity. He was a man with a mission in life—the preacher of a new gospel, one who imparted a new impulse to our thoughts and breathed a new hope into our hearts. And this mission was to interpret to us the new order of things that had come into existence under the dispensation of a wise Providence—to point out to us its meaning, the opportunities it afforded, the responsibilities it imposed and the rich harvest that was to be gathered, if only we did not shrink from the labour that was demanded of us. And high indeed were his qualifications for delivering his message to us. A great, a massive intellect, a heart that overflowed with the love of his country, an earnest and dauntless spirit, an infinite capacity for work, patience inexhaustible, and an humble faith in the purpose of Providence that nothing shook—a man so equipped could worthily undertake the task of moulding the thoughts and hopes and aspirations of his countrymen. And for thirty-five years Mr. Ranade worked for us not in one field but nearly in all fields of human activity, the one passion of his heart throughout being that India might take her place among the nations of the world, worthy of her ancient greatness, her men and women growing to the full height of their stature, inspired by high ideals and undertaking great national tasks. I think no man of our time had realized more clearly or completely the character of the work that lies before us or the conditions under which that work has got to be done. An ancient race had come in contact with another; possessing a more vigorous, if a somewhat more materialistic, civilization and if we did not want to be altogether submerged or overwhelmed, it was necessary for us to assimilate what was noble and what was vigorous in the new influences operating upon us, preserving at the same time what was good and noble in our own system. I believe no man cherished more lovingly and reverently the past of this land than Mr. Ranade. “We could not,” as he once declared, “break with the past, if we would. We must not break with it if we could.” But he was not content to live simply wrapped up in the past. To him, the present and the future of the country were of more

pressing importance than the past, and while a study of the past sustained us in our struggle, and furnished guidance for our work, by reminding us of the limitations imposed by the laws of historical unity of growth and pointing out the deficiencies in our character and development which had to be supplied, the main interest of life was represented by the extent to which the duties of the present were performed and the ground for the future prepared. In this spirit, he read incessantly, he thought incessantly, he observed incessantly, and he incessantly endeavoured to apply the result of his reading, and his observation to a solution of the practical problems by which he found his countrymen surrounded. And his heart rejoiced whenever he found another to work in the same spirit. He noted such a man, wherever he might be, with unerring instinct, put himself in touch with him, encouraged him in every way open to him, and never lost sight of him afterwards. And thus it was that workers in all parts of India looked up to him for light and guidance, for approbation in their success and comfort in their disappointment, and formed, so to say, so many centres to spread the influence of his thoughts and his hopes. Joined to all this was a magnetic personality, without which no man can ever become a great leader or a great teacher of men. The grandeur and nobility of his soul impressed itself on all who came in any kind of contact with him, men were afraid to think unworthy thoughts before him, they felt themselves to be in an atmosphere of holiness, of love and of service—they felt as though they were in the presence of a being of a higher order. Well, gentlemen, such men are among the chosen instruments of God to work out His beneficent purpose in this world, and when they pass away, no man can estimate the extent of the calamity. And thus it was that, when Mr. Ranade passed away more than three years ago, many of us felt that a sudden darkness had fallen upon our lives. It was as though a mighty sorrow had swept over the land, and high and low, rich and poor, men of different castes and creeds, men of different provinces—all drew together in the consciousness of a choking loss. And memorial movements were started in

different places to acknowledge the depth of immense gratitude which the country owed to him who had gone and to show that we were not altogether unworthy of his having lived and worked for us.

Gentlemen, I rejoice that the memorial of Madras is taking the form of a library. You could not have decided upon a more appropriate form of perpetuating his memory. Mr. Ranade's time was spent in the company of books, more than that of any other man of our day that I know of. It is certain that no man profited more by what he read or applied to practical purposes the result of his reading. And nothing gave him more satisfaction or filled him with greater hope than to see young men devoting themselves to the study of those branches of knowledge, for which this library is intended to offer special facilities. I see that your library is in connection with the South Indian Association, which has been started for the encouragement of study in five different branches—in the field of history, in the field of economics, in the field of politics, in the field of industries and in the field of science. Of these, three at any rate were branches in which Mr. Ranade himself greatly excelled, and to which there is need for our young men to devote themselves. In industrial and scientific studies, it is not possible for the bulk of our educated men to achieve any great or striking results. That requires a high degree of specialized knowledge and such knowledge can be possessed only by a few. I do hope that the activity of this Association, when it is in full swing, will produce some men who will take up these branches for their lifelong study. For the bulk of our young men, however, the other three branches, viz., history, economics, and politics will and must have the greatest attraction. I see you have excluded from your programme the study of literature, religion and philosophy, and I believe the omission to be significant. It does not mean that you undervalue the study of those branches—far from it—but that, in your opinion, the studies that you provide for, require to be specially encouraged, inasmuch as they are most neglected. Gentlemen, we must frankly recognise the difficulties that beset a man who seeks general knowledge

in these days. The output of literature in any subject in the world is now so great and the accumulation is becoming so vast, that it is impossible for any one to take all knowledge for his domain as it was, perhaps, once possible. We must now all bow to the inevitable and make a choice, and having made a choice, we must stick up to it. I think you cannot recommend to the bulk of our educated young men any study more useful than that of history, economics, and politics. Even in these, most of them cannot hope to become specialists, but they can acquire a fair amount of general acquaintance, which, in the present circumstances of the country, is most essential in order that they might be qualified to become better citizens, understanding the character of the work that has to be done and recognizing the limitations subject to which it has to be done. A careful study in these three fields will balance our judgment, widen our sympathies and broaden our vision and our outlook on life, and will enable us to profit better by the discipline through which we are passing. And if we have a large class of men well read in these subjects, the level of public life will, of necessity, be raised, because their capacity to appreciate discriminatingly will not fail to act on their leaders. Gentlemen, one just reproach against our educated men is that their studies cease directly they leave college—that the education they receive at college, instead of being a mere foundation, is, in most cases, really the whole fabric. I think in this matter we ought to imitate more largely the example of Europeans, who, after satisfying the claims of their occupation which is the means of their livelihood, have, as a rule, what may be called a second interest in life in the shape of some study or other. Such second interest often prevents a man from being cramped or narrowed as is the case with those whose energies are confined to the pursuit which brings them their daily bread. I hope this library will supply such a second interest to the lives of many of our young men, and I hope the young men who will come to this library will realize the responsibility that rests upon them. If you merely have a library, a building and books, that by itself is not raising a memorial. In one sense Mr. Ranade did not require any memorial. His work and the influence of his

life constitute the best memorial that can possibly be raised to any man. But this memorial that is being raised to-day is for our own instruction and profit. It offers us facilities which are intended to be availed of in order that we might be qualified better and better to undertake the work that Mr. Ranade himself did and that he wanted us to continue. Remember when you come here that the eye of a great master, though himself no longer amongst us, is on you. Let that stimulate you to take the utmost advantage of the facilities which this library offers you. In proportion as you do this, you will have raised a true memorial to Mr. Ranade. Gentlemen, I wish every success and prosperity to this institution.

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## W. C. BONNERJEE.

*[The following speech was delivered by Mr. Gokhale at a memorial meeting held in London for expressing sorrow at the death of Mr. W. C. Bonnerjee on July 21, 1906 :—]*

Mr. Chairman, Ladies and Gentlemen,—We are assembled here to-day to give public expression to our grief that the hand of Death has removed from our midst our illustrious countryman—Mr. Womesh Chandra Bonnerjee. The event, it is true, has not come upon us as wholly unexpected. For some time past it was well known that Mr. Bonnerjee's health had been completely shattered, that there was no hope of recovery, and that continued existence in that state was to him only a prolongation of agony. However that the end has actually come, and we are forced to realise that our great and trusted leader, whom it was a joy to love no less than to follow, is no more with us, the mind feels as completely bewildered and overwhelmed as though the great Destroyer had come with stealthy and noiseless steps and had inflicted on us our loss without warning, and with the shock of a sudden blow. Ladies and gentlemen, Mr. Bonnerjee was a man whose death would leave humanity the poorer in any age and in any part of the world. To India, in her present stage of transition, with difficult and complicated problems arising on all sides, his passing away is a national calamity of the first magnitude, and we indulge in no exaggeration when we say that our loss is truly irreparable. It is not my purpose to-day to attempt here an estimate of the character and career of our great countryman. Our loss is still too fresh and our sense of it too acute and poignant to permit of my undertaking any such task in a meeting of this kind. And all I beg leave to do in commending this resolution to your acceptance is to say a few words expressive of my profound admiration of the many noble qualities, both natural and acquired, of our departed leader, and of my humble appreciation of



the great, the signal service which he has rendered to our national cause. Ladies and gentlemen, we all know that Mr. Bonnerjee was one of the most distinguished, as he was one of the most successful, lawyers that our country has produced. Now, if he had been only that and nothing else, even then his title to a public expression of our admiration and respect would have been unquestioned. National life to be complete must be many-sided; and a man who brings honour to the Indian name, no matter in what field, advances thereby our national cause and deserves to be honoured by us on national grounds. But Mr. Bonnerjee's claim to our admiration and gratitude rested, of course, on a much wider basis than his pre-eminent attainments as a lawyer. He was, in addition, an ardent patriot, a wise and far-sighted leader, an incessant worker, a man whose nobility of mind and greatness of soul were stamped on every utterance and every action of his life. His intellectual gifts were of the very highest order. Endowed with an intellect at once critical, vigorous, and comprehensive, a truly marvellous memory, luminous powers of exposition, captivating eloquence, great industry, and a wonderful habit of method and discipline, Mr. Bonnerjee was bound to achieve, in whatever field he chose to work, the most brilliant success. Then he had a wide outlook on life, deep and earnest feeling and a passionate desire to devote his great gifts to the service of his country. And added to these were a fine presence, an extraordinary charm of manner, and that combination of strength and restraint which made him one of the most manly men that one could come across. Such a man must tower above his fellow-men wherever he is placed. In a self-governing country he would, without doubt, have attained the position of Prime Minister. We in India twice made him President of our National Congress, and what was more, when the great movement was started twenty-one years ago and the first Congress ever held in India assembled in Bombay, the delegates unanimously elected Mr. Bonnerjee to guide them in their deliberations. And since that time down to the moment of his death, Mr. Bonnerjee, with two or three others, was the very life and soul of that movement. He ungrudgingly gave to the cause his time and his

resources—and this far more than is generally known. He cheerfully bore all its anxieties, his exertions for its success were unwearied; and no man's counsel was valued higher by his countrymen, where the Congress was concerned. His courage was splendid, and it rose with difficulties, and his nerve and his clear judgment were a theme of constant admiration among his countrymen. With Mr. Bonnerjee at the helm, everyone felt safe. His was the eloquence that thrills and stirs and inspires, but his was also the practical sagacity that sees the difference between what may be attained and what cannot, and when the need arose no man was firmer than Mr. Bonnerjee in exercising a sobering and restraining influence. I can recall at this moment more than one meeting of the Subjects Committee of the Congress, at which really all important deliberations take place, where Mr. Bonnerjee's far-sighted wisdom and the great weight attaching to his personality steadied the judgments of wilder spirits, and established harmony where discord was apprehended. The loss of such a leader, no words that I can employ can adequately describe, and he has passed away at a time when he was more indispensable than ever, in view of the signs one sees of the vessel of the Congress being about to encounter somewhat rough weather. Ladies and gentlemen, it is really superfluous that I should dwell at any length before an assembly composed so largely of my own countrymen on the distinguished services rendered by Mr. Bonnerjee to our national cause. And, if I refer briefly to one or two of them, it is because they are not very widely known, and they illustrate how immense is the debt that we owe him. You are aware that no Englishman has ever served India more nobly or more zealously than the late Mr. Bradlaugh. Now, it was Mr. Bonnerjee who enlisted Mr. Bradlaugh's sympathies on our side and secured his powerful championship for our aspirations. Then the part Mr. Bonnerjee has played in keeping together all these years the British Committee of the Congress and in maintaining unimpaired its activity in this country, will always constitute one of his best claims to our affection and gratitude. Very few, indeed, of our countrymen have any idea of the difficulties that have had

to be overcome from time to time in this connection, of the worries they have involved, and of the sacrifices they have required. But, if our great friends, Sir William Wedderburn and Mr. Hume had been here to-day, they would have told you, as, indeed, our venerable chairman may, if he speaks a few words at the end, how invaluable have been Mr. Bonnerjee's co-operation and assistance in this matter. Ladies and gentlemen, I do not wish to detain you longer. Many of us lose in Mr. Bonnerjee not only a great leader, but also a warm generous friend. Who that has ever enjoyed the hospitality of his beautiful home at Croydon—now, alas, plunged into the depths of grief—will forget the singular charm of his personality, the charity of his judgments, his touching devotion to those around him, or the kindness he loved to lavish on all whom he admitted to the privilege of his friendship! And, speaking in this connection, may I say how our hearts go out to-day to the bereaved family, whose loss is beyond words, and especially to that stricken lady whose life has now been rendered desolate and to whom the world will never be the same again! One word more and I have done. Mr. Bonnerjee has now crossed the line which there is no recrossing. But he is not altogether gone from us. He has left us the precious inheritance of a noble example. He has left us his name to honour, his memory to cherish. Above all, he has left us the cause—the cause he loved so dearly and served so well. Our very sorrow to-day speaks to us of our duty to that cause and no tribute that we can offer to the memory of the departed will be more truly fitting than a resolve to recognise and an endeavour to discharge this duty according to the measure of our capacity and the requirements of our country.

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SIR P. M. MEHTA.

*[At the Eighth Provincial Conference held at Belgaum on the 4th May 1895, it was resolved "that this Conference desires to place on record its high appreciation of the masterly services rendered to the country by the Hon. Mr. P. M. Mehta in the last session of the Supreme Council at great personal inconvenience, and it authorises the President to draw up and present on its behalf an address to Mr. Mehta embodying this expression of opinion, at such time and place as may be determined hereafter in consultation with the honourable gentleman."*

*The above resolution was proposed by Mr. G. K. Gokhale in the following speech :—]*

Mr. President and Gentlemen,—The resolution which I have to propose to-day for your adoption is one which it is not only a pleasure but a privilege to move, and I feel sure, when it is put to you from the chair, you will carry it with unanimity and enthusiasm. Gentlemen, the brilliant abilities of Mr. Mehta and the great services which he has rendered, not only to our Presidency but to the country at large, during a public life of nearly a quarter of a century, are now so well known that his name has really and truly become a household word with us. The grasp and vigour of Mr. Mehta's intellect, his wide culture, and his fearless independence coupled with dignity and judgment have won for him to-day a most commanding position in the public life of the Presidency, and a position of singular eminence in the public life of Bombay. Gentlemen, when a person has attained so prominent a position, it is inevitable that the fierce light of comparisons, to vary the beautiful expression of the late Laureate, should beat on him. And I think no person has suffered less than Mr. Mehta by these comparisons. A friend of mine in Bombay, a shrewd observer of men and things, once said in speaking

of Mr. Telang and Mr. Mehta and Mr. Ranade, that Mr. Telang was always lucid and cultured, Mr. Mehta vigorous and brilliant, and Mr. Ranade profound and original. I think, gentlemen, you will agree that there is much in that observation. At the same time it must be said that, though some men think that Mr. Mehta's particular qualities are vigour of intellect and brilliancy, it does not follow that he is in any way deficient in the other qualities. To my mind it has always appeared that Mr. Mehta, to a great extent, is a happy combination of the independence and strength of character of the late Mr. Mandlik, the lucidity and culture of Mr. Telang, and the originality and wide grasp of Mr. Ranade. And these qualities which have always shone well, never shone more brilliantly or to greater advantage than in the work done for us by Mr. Mehta in the last session of the Supreme Legislative Council. Gentlemen, I do not mean to recount in any detail the services rendered by Mr. Mehta during that session. In the first place, they are so fresh in our memory, and secondly, they were only the other day recapitulated so well by speaker after speaker at a public meeting in Bombay. I will, however, say this, that in those discussions in the Council Mr. Mehta showed himself to be a match for the ablest of his Anglo-Indian opponents and a match for them in their several elements. Those who have read those discussions will agree with me that Mr. Mehta's contributions uniformly displayed the highest ability and skill as a debater, and that his speech on the Budget was calculated to raise even his reputation for grasp of principles and mastery of details. Member after member on the Government side rose on that occasion to demolish Mr. Mehta. Sir Charles Elliott, the Military Member, Sir Antony MacDonnell and Sir James Westland each in his turn attacked Mr. Mehta, thereby only showing how strong was the case made out by Mr. Mehta in the opinion of Government themselves. The attempt of Sir James Westland to browbeat Mr. Mehta only recoiled on himself. He lost his temper when Mr. Mehta spoke in his vigorous manner of the defects of the Civil Service, and complained bitterly that Mr. Mehta was introducing a new spirit in the discussions in the Legislative Council,

and ended by accusing him of uttering a calumny. When, however, the speeches of the two were published, the public was in a position to judge who it was that had uttered a calumny. The remarkable coolness with which Mr. Mehta behaved on the occasion elicited the admiration of the Calcutta *Statesman*. Throughout Mr. Mehta showed himself, as I have already said, to be a match for his opponents on their own ground, and, as the correspondent of a Madras paper well expressed it, he returned argument for argument, invective for invective, banter for banter and ridicule for ridicule. Gentlemen, we are proud that our representative should have achieved so much glory. We are proud that even our friends in Calcutta thought his services to be so signal that, under the leadership of Mr. W. C. Bonnerjee, they presented a public address to Mr. Mehta to express their sense of gratitude, although they had their own member in the council. Those of us who know Mr. Mehta know that he cannot care much for these compliments. We are aware that services such as he has rendered are their own reward. But we owe to ourselves a duty in the matter, and we shall best perform that duty by authorising our President to convey the expression of our gratitude to Mr. Mehta in the manner suggested in this resolution.

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## II

*[Early in 1907 a caucus was formed by Mr. Harrison, Accountant-General of Bombay, and others to prevent Sir P. M. Mehta from being elected by the Justices of the Peace to the Municipal Corporation. A representation against the fairness and validity of the election was sent by certain Members of the Legislative Council to the Government of Bombay, but the Government sent them a curt reply refusing to interfere. Public surprise and indignation were great and found expression at a large meeting held at Madhava Baug on Sunday, the 7th April. The Hon. Mr. Gokhale presided on the occasion, and in opening the proceedings, spoke as follows :—]*

Ladies and Gentlemen,—This is in many respects a most memorable gathering, and I thank you sincerely for the great honour you have done me in inviting me to take the chair on this occasion. Perhaps a word of explanation is due from me at the outset as to how it is that I am here to-day, and why I am taking this somewhat prominent part in these proceedings. It is true that I am not a rate-payer of this city, nor am I a Justice of the Peace; and my habitual place of residence is Poona and not Bombay. And if the question which has convulsed this city for some time past and has brought us in our thousands here this afternoon, had been merely a local question—local in the interests it affected, local in the issues it involved—my friends in this city would certainly not have asked me to join with them in their protest, neither should I ever have thought of coming here to take part in this meeting. But, gentlemen, everybody must now recognise that their matter, even if it ever was local in its scope at any stage, which I very much doubt, has now advanced far beyond that stage, and that issues of serious and far-reaching consequence have arisen in connection with it, which concern

not only the inhabitants of this city, but the people of this Presidency and even India as a whole. The question now is not, who shall sit in the new Corporation on behalf of the Justices, but whether the enormous power which English officials necessarily wield in the country under the present system of administration, is to be employed to interfere with the freedom of popular elections, and to reduce still further the small measure of local self-government which has so far been conceded to the people; and whether the Government, instead of putting down such abuse of official position and influence, is to countenance it publicly. Last October His Excellency the Viceroy told the people of this country that, in his opinion, Municipal and Local Boards' administration formed the initial rungs of the ladder of self-government, and that we must mount these successfully before we expected to find ourselves on higher rungs. Those among us, therefore, who have the success of local self-government at heart, and who look forward to the time when a larger share in the government of the country shall be assigned to us, cannot remain indifferent when questions of the utmost importance, affecting the character and growth of local self-government in the land, are agitating the public mind, and a protest has to be made against wanton and unjustifiable encroachments on popular rights. It is thus as one interested in the steady progress of self-government in the country that I stand on this platform here to-day, and I thank you once again for the honour you have done me by asking me to preside over this meeting.

Gentlemen, the speakers to the different resolutions will, I have no doubt, deal at length with the more important aspects of this unfortunate affair, and I will, with your indulgence, make a few observations of a somewhat general character before resuming my seat. The facts of the case are both simple and clear. Last year Mr. Harrison, Accountant-General of Bombay, and a prominent member of the Indian Civil Service, started a movement at the head of which he eventually placed himself, and with which he got the Commissioner of Police and the Collector of Bombay to identify themselves. The definite



and avowed object of this movement was, not to ensure the return of the sixteen best candidates available at the Justices' Election—for that would have been a different thing—but first and foremost to exclude Sir Pherozechah Mehta—not from the Corporation necessarily, that was impossible as long as there were men like my friend Mr. Dixit in our public life—but from the list of Justices' representatives; and, secondly, to extend the ban of exclusion even to those candidates for election who were not prepared to be parties to Sir Pherozechah's exclusion. What men were actually returned to the Corporation was a matter of small importance in the eyes of the Caucus so long as Sir Pherozechah was kept out and so long as no one who did not actively support his exclusion was allowed to come in. And thus the Caucus came to oppose even those old and tried counsellors who more often were found in the past to be ranged against Sir Pherozechah than on his side, simply because they could not so far forget what was due to his magnificent record of municipal work as to be parties to his proposed exclusion ! Now, gentlemen, a movement so deliberately personal and engineered by high officers of Government is a serious matter, and I have tried my best to find out what justification has been urged by its promoters in its favour. The only reasons advanced in justification of the Caucus movement have been, first, that Sir Pherozechah had attained too great a predominance in the Corporation; and, secondly, that this predominance was not always used in the best interest of the city. Now, as regards the first reason, I do not think that, taken by itself, it deserves any real value being attached to it. A man with the great, the transcendental abilities of Sir Pherozechah Mehta, placing those abilities freely and unreservedly at the disposal of his city for nearly 40 years, is bound to attain a position of unrivalled predominance in any Corporation and in any country. That such a man should tower head and shoulders above his fellow-men after such a record, is only to be expected, and those who complain of this quarrel with the very elements of our human nature. Such predominance implies deep gratitude on the part of those to whose service a great

career has been consecrated, joined to that profound confidence in the wisdom and judgment of the leader, which goes with such gratitude. Sir Pherozeshah's position in the Bombay Corporation is no doubt without a parallel in India, but there is a close parallel to it in the mighty influence exercised by Mr. Chamberlain at Birmingham, and is not dissimilar to the position occupied by Lord Palmerston for many years in Whig England, and later by the great Gladstone in the counsels of the Liberal party. As regards the second reason, if there was really anything in it, it would of course deserve more consideration. But what are the things charged against Sir Pherozeshah in this connection? As far as I have been able to ascertain, they are two in number—one is, that when Lord Curzon returned to India a second time as Viceroy, Sir Pherozeshah imported Congress politics into the question about the Corporation presenting an address of welcome; and, secondly, that he got the Corporation to go back to Bombay Time after Standard Time had been adopted by that body. Now, admitting for the sake of argument all that the Caucus party has urged in these two matters, what are these little differences of opinion compared with the glorious record of Municipal work standing to Sir Pherozeshah's credit and extending over an unbroken period of 38 years? But, as a matter of fact, even in these two matters, Sir Pherozeshah's action has had the support and approval of an overwhelming majority of the citizens of Bombay. As regards the address to Lord Curzon, the responsibility for whatever unpleasantness was caused at the time in the matter, rested not on Sir Pherozeshah but on those gentlemen who, really from political motives, thrust that question on the Corporation. It was well known that widely divergent views were entertained about Lord Curzon's first administration. His re-appointment was only a technical matter, and in view of the intensity of feeling against him, the proposal to present a fresh address of welcome should never have been brought forward. When, however, it was brought forward, those who feared during the second Viceroyalty only an aggravation of the harm that had been done during the first, had no choice left to them but to resist the proposal. It was no

longer a question of a mere courteous greeting, such as the Corporation always offers to a new Viceroy on his first arrival in India. But even here, instead of opposing the proposal outright, Sir Pherozeshah, who is the one man among us who is anxious to meet the other side as far as possible half-way on every occasion, allowed his love of conciliation to carry him farther in the direction of compromise than those who generally worked with him cared to go. And eventually he even served on a Committee which was entrusted with the work of drafting the address. As regards the question of Standard Time and Bombay Time, if the Chamber of Commerce and the Port Trust could alter their resolutions under official pressure, I do not see why it should be such a crime for the Corporation also to change its resolution in accordance with popular feeling. This is a matter in which, as the Government of Sir James Fergusson had to admit after a year's struggle about twenty-five years ago, the wishes of the people of Bombay must be allowed to prevail. And, speaking in this Madhava Baug where a great meeting was held last year on the subject, it is not necessary for me to point out that Sir Pherozeshah's action in this matter has been in consonance with the wishes and the feelings of the vast population of this great city. It is interesting to note in this connection that Dr. Katrak, the champion of Standard Time in the last Corporation, received but short shrift at the hands of the Caucus, in spite of his services to the cause of Standard Time, simply because he would be no party to Sir Pherozeshah's rejection by the Justices. But, gentlemen, it has been said that the three officers concerned in this affair acted in this matter in their private capacity only, and that they dealt with Sir Pherozeshah precisely as they would deal with any public leader in England. Surely, the absurdity of this contention is so obvious that it should not be necessary to waste many words on it. Will those who use this argument tell us what differences of principle in regard to Municipal administration or the interests of the city divide Mr. Harrison and his Caucus from Sir Pherozeshah and those who work with him, that these differences might be likened to those that distinguish Liberals from Conservatives in England?

The only thing that is really obvious in this affair is the feeling of hostility to Sir Pherozechah personally that has inspired the conduct of the promoters of the Caucus movement. It may be that members of the Civil Service cannot bear to be in a position of comparative insignificance in assemblies composed mainly of Indians and to see non-official Indians towering above them, for in the garden of bureaucracy there is no room for all non-official poppies. But, if this should be so, the only proper course for these men is to withdraw from these assemblies instead of using their official position and forming unjustifiable combinations to strike at the influence of towering individuals. When Mr. Harrison started the movement to oust Sir Pherozechah Mehta from the position held by him now for so many years, I wonder if he ever stopped to enquire if it was quite fair thus to deny to a man of Sir Pherozechah's abilities and seniority even the small scope for work that he possessed in the Corporation of Bombay. We have been told again and again that our Municipal and Local Bodies are intended to be a school for us for learning the art of self-government. Surely members of the Indian Civil Service, who have a monopoly of all administrative power in the country, need not grudge to Indians possessing ability and character not less high than their own, these small fields that alone have so far been thrown open to them. I wonder, also, if Mr. Harrison, before he thought of contesting the leadership of the Corporation with Sir Pherozechah, asked himself if he, or any other member of his Caucus or all of them put together, had rendered to the Corporation even a fraction of the great services which Sir Pherozechah Mehta has rendered during his long and distinguished career. However, I have no wish to dwell further on this aspect of the question. The argument that Mr. Harrison and the two other officers acted in this affair merely in their private capacity is one which, in my opinion, is not entitled to any weight. How can men who have the power to make and unmake Justices of the Peace take sides in a hotly contested election, without letting this power interfere with the freedom of election of other Justices?

Just imagine the District Magistrate and the District Superintendent of Police forming a Caucus in the mofussil to manage Municipal or District Board elections and then quietly claiming that they had done this in their private capacity. The whole question is so important and the future course of local self-government so much bound up with it, that I trust it will receive earnest consideration at your hands to day, and that we shall not rest in this matter till Government officers as a class are not only forbidden to form combinations, but also are themselves expressly disqualified for election at the hands of popular constituencies. One word more and I have done. Gentlemen, I feel bound to say—and I say it with regret—that the Bombay Government has not come well, at any rate so far, out of this affair. It will not do for the Government, Nelson-like, to put the glass to the blind eye and say that it knew nothing of what had been going on. The intense excitement caused by the activity of the Caucus, the extraordinary and unparalleled unanimity with which Indian papers of all shades of opinion were writing day after day and week after week, should have impressed on the Government the necessity of its pulling up its officers promptly before harm had been irrevocably done. However, nothing was done to discourage the mischievous zeal of the Caucus, and when the day of election arrived, it was found that all officers of the Government, high and low—all, with the exception of the very highest, were there at the place of election to vote solid for the Caucus ticket, and to support the Caucus actively in other ways, and when three Additional Members of the Bombay Legislative Council wrote formally to the Bombay Government to represent the state of public feeling, and to request an open inquiry into what had taken place, offering to adduce evidence in support of their statements, an amazingly curt reply was sent to these gentlemen, as much as to say that their letter was an impertinence, and that the officials in the Government could not be expected to hear complaints against their brother officials in the Caucus. Further, the astounding plea was advanced that the wise and salutary prohibition against Government officers influencing popular elections.

applied to Legislative Council elections and not to Municipal elections. One would have thought that, after the fierce storms of indignation that swept over Bombay after the day of the election, the Government would have recognized better the necessity of a strictly impartial attitude on its part in all subsequent developments. But what are we to think of the appointment of Mr. Suleman Abdul Wahed as a nominee of the Government on the new Corporation? This gentleman, who was practically coerced by the Caucus to join them, who had no wish of his own to come forward as a candidate, who was declared disqualified for membership in a Court of Law, is included by Government among its own nominees at the first opportunity. Well, all I can say is, that if the Government had wanted to confirm the unfortunate impression in the public mind that its sympathies were with the Caucus in this deplorable affair, it could not have taken a more effective step than this to do so. Gentlemen, I fear we have had enough indication of the attitude of the Bombay Government in this matter, and I think we are justified in not waiting further for redress at its hands. You are now going up to the Government of India, which, let us hope, will deal with the question in a spirit of greater regard for the requirements of justice and fair play, and with a higher sense of responsibility towards the freedom, purity and independence of popular elections. It may be that even here motives of official prestige may come in the way, as has so often happened in the past, of the right thing being done, or rather of the wrong thing being set right. But let us not anticipate evil unnecessarily. Things are bound to take their appointed course, and all we owe to ourselves in these matters is to strive our best according to our lights and our opportunities.

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## SIR WILLIAM WEDDERBURN.

*[At the Twenty-sixth Session of the Indian National Congress held in Allahabad, in 1910, the Hon'ble Mr. G. K. Gokhale in moving the resolution of vote of thanks to the President, spoke as follows :—]*

Ladies and Gentlemen,—It is my privilege now to move that our most cordial thanks be accorded to our President, Sir William Wedderburn (*cheers*) for the great trouble he has taken in coming to India to preside over this Assembly and for his devoted labours in guiding aright the deliberations of the Congress. Gentlemen, on the opening day of this Congress installing Sir William in the chair as also to-day in moving a vote of thanks to the British Committee, our distinguished countryman, Babu Surendra Nath Banerjea (*cheers*) has spoken of Sir William's lifelong services to India with an eloquence and a felicity of expression all his own; and to what he has said, several prominent members of this Congress have also already added their own tributes. I will not, therefore, occupy you for more than a very few minutes. And as a matter of fact, it is really unnecessary for me or for anybody else to say anything to commend this resolution to your enthusiastic and unanimous approval. Gentlemen, we are bound to feel that any acknowledgment of the services which Sir William has rendered to this country, no matter from whom it comes, or no matter how it is made, is bound to be a most inadequate expression of the feelings which rise uppermost in our hearts at the mere thought of all that we owe to him, for all that he has felt for us, for all that he has hoped for us, for all that he has done for us, for all that he has borne and braved for us. That being so, I really think that I need not occupy much of your time; but there are two or three things which I hope you will permit me to say. Sir William before he left England, mentioned, at the gathering which had assembled to do him honour, that on the 25th November

he was to complete the 50th year of his service in the cause of the people of this country. It is almost a coincidence that this period of fifty years is divided into almost two equal parts, the first half being his period of service as an official and the second half being his period of work as our trusted leader in England (*cheers*). Now even when Sir William was serving in this country as an official he was doing more than any other official of his time on our side to bring the two races closer together. I remember the words of my great master, Mr. Ranade (*cheers*), once telling me that among all the Englishmen whom he had known there was none to be put on the side of Sir William. That was while he was an official, but after his retirement, he has thrown himself heart and soul into our work and India has held his whole heart to the exclusion of every other subject; and for the last 25 years he has laboured for us in England, he has watched for us in England, he has fought for us in England, as no other man of our time has done. During these 25 years everything that he has undertaken has been entirely for the sake of India. For our sake he went into Parliament, for our sake he left Parliament, for our sake he made friends, for our sake he entered into hostilities, for our sake he undertook the most menial service and the lasting work that can be undertaken. Nothing was too small or too laborious for him to undertake if only it was for the good of India. If this has been his work during 50 years, was it any wonder that when Sir William came to know that it was the wish of the United Provinces that he should come over to preside at this Congress that he readily assented to do so? That he undertook this mission in spite of the dissuasions of those dearest and nearest to him, in spite of the advice of his doctor, in spite of the grave anxiety of his friends, was not to be wondered at. It was sufficient for him to see that his coming out to India would be of use to India and even at his great advanced age and his impaired health, he undertook this voyage in order to preside over our deliberations here (*cheers*). Well, that in itself would entitle him to our enduring gratitude, but the manner in which he has guided us during these stormy days, the manner in which he



has given every moment of his time and thought to our work from the moment he landed up to the present, has filled every one of us with the utmost admiration and gratitude. I have had special opportunities of watching him during these days and I may tell you that from the moment he landed, his one thought has been how to bring these proceedings to a harmonious and successful close. Sir William has guided our deliberations with wisdom and insight that are altogether his own, his wisdom born of long experience and insight that is his by nature; and in addition to the wisdom and insight he has also brought to bear on his task, great tact, great patience and great gentleness and the proceedings have proved to be so successful, as I am sure everybody will agree that they have, the credit is mainly due to Sir William's presence in the chair. I will say one thing more and conclude. Why is it that Sir William has done all this for us? Why is it that he has come all this distance? Why is it that he has been taking all this trouble for the last 25 years, if we exclude his official career? Well, the answer to this is twofold. Part of the answer is that he could not help it that it was in his very composition, that he was so made; this would be part of the answer. The other part of the answer is based on this, namely, that by temperament, by nature, Sir William is one of the most fair-minded men that exist anywhere. His strong stern absolute sense of justice has been responsible for making him do all this work. He saw that the present arrangements were not just to the people of this country, and he has thrown himself heart and soul to make them more just and to set right the injustice done to the people of this country. Then again, we all know how deep, how passionate is his attachment to the cause of humanity in general. Wherever there is wrong, Sir William's sympathy goes straight to that place. His deep attachment to the cause of humanity—it is that that has also sent him in this direction. These two are general grounds. That is his composition and that is how he is made; but in addition to these two there have been two other causes. The first is his deep, his abounding love for the people of this country, love that has stood all tests, such tests that even:

Indians themselves will not be able to stand. Certainly, his love for India was more than that of most Indians and certainly more than that of any Englishman. He has loved us in spite of our defects. He has always been ready to overlook our faults and he has been always anxious to make most of any good point in us and he has always asked us to go on, cheering us forward, encouraging us when we have done well and always standing by us whether we have done well or ill. That is one source of the work that he has done for us and the other one is his faith in the people of India. His faith in the people of India is indeed a part of his great personality. He has believed in us in spite of the obloquy of his own countrymen. He has believed in us in spite of appearances. He has believed in us in spite of ourselves. It is because he has so believed in us that he has been able to work through sunshine and storm, and through good report and evil report in England all these 25 years and having done this work we find him now at his great age coming to help us in our difficulties, trying to smooth matters for us; and I am sure that among the many services he has rendered to the people of India, this will be regarded as the greatest and most crowning achievement. I really do not wish to say anything more and I should not have said even so much as this. The picture of this great venerable *vishhi* of modern times who has done this work for us is a picture that is too ennobling, too beautiful, too inspiring for words: it is a picture to dwell upon lovingly and reverentially and it is a picture to contemplate in silence. I commend, therefore, that this proposition which I have moved should be carried amidst acclamation.

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## SISTER NIVEDITA.

*[In the public meeting held at Calcutta on 23rd March 1912, to commemorate the services rendered to India by the late Sister Nivedita, the Hon. Mr. Gokhale made the following speech :—]*

Mr. Chairman, Ladies and Gentlemen,—I beg to support this resolution. It was my privilege to have known Sister Nivedita intimately for more than ten years and I am grateful to the organisers of this meeting for their kindness in inviting me to join in to-day's tribute to her memory. You, Sirs, in your unapproachable manner have already voiced the feelings of us all as to the grievous loss the country has sustained by her sudden and untimely death and my friends Babu Surendranath Bannerjee and Mr. Blair have borne eloquent testimony to her great worth in placing this resolution before the meeting. I do not think therefore that I need occupy your time or attention for more than a very few minutes. Sister Nivedita's personality was a wonderfully striking personality—so striking indeed, that to meet her was like coming in contact with some great force of nature. Her marvellous intellect, her lyric powers of expression, her great industry, the intensity with which she held her belief and convictions, and last but not least, that truly great gift—capacity to see the soul of things straightway—all these would have made her a most remarkable woman of any time and in any country. And when to these were joined—as were joined in her case—a love for India that overflowed all bounds, a passionate devotion to her interest and an utter self-surrender in her service and finally a severe austerity of life accepted not only uncomplainingly but gladly for her sake, is it any wonder that Sister Nivedita touched our imagination and captured our hearts or that she exercised a profound and far-reaching influence on the thoughts and ideas of those around her and that we acclaimed her as

one of the greatest men and women that have lived and laboured for any land. Sister Nivedita came to us not to do good to us as some people somewhat patronisingly put it; she came to us not even as a worker for humanity, moved to pity by our difficulties, our shortcomings and our sufferings; she came to us because she felt the call of India. She came to us because she felt the fascination of India, she came to give to India the worship of her heart on one side and to take her place among Indian sons and daughters in the great work that lies before us all. And the beautiful completeness of her acceptance of India was indeed what no words can express—not merely her acceptance of the great things for which India has stood in the past or of those for which God willing she shall stand again in the future—but of India as she is to-day with all her faults and shortcomings undeterred by the hardships or difficulties of our lives, unrepelled by our ignorance, superstition and even our squalor. How few there are among us who realize fully how hard, how difficult, how nearly impossible it must have been for her to live our life completely in this manner. Even those among us born of India and nurtured in her lap, if they happen to get out of the old life owing to foreign travel or other causes find it by no means easy to go back fully to that life. What must have been then to her, born thousands of miles away and brought up amidst environments largely different from ours, to achieve their complete identification with us and live the life that she lived for us. I think, ladies and gentlemen, as we think of this we see before our eyes a haunting image of the noblest that can be conceived leading us and driving us to greater and better things. This meeting has been called to raise a suitable memorial to Sister Nivedita. I hope and trust that the memorial will be a worthy one, worthy of this great city, worthy of the love which Sister Nivedita gave to us and of the love and respect which we all felt for her. But even a worthy memorial by itself will not suffice. I feel that our departed Sister so dear to us who lived and died for us will have lived and died in vain if the flame of our patriotism did not burn purer and brighter on her account, if our conception of civic duty and social service did not

stand higher and our lives did not grow fuller of earnest aspirations and noble endeavours in the service of our Motherland. Ladies and gentlemen, I support this resolution.

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## SHISHIR KUMAR GHOSE.

*[A meeting was held at Calcutta on 23rd March 1912, to express the deep sense of sorrow at the death of and to do honour to the memory of Babu Shishir Kumar Ghose, when Mr. Gokhale made the following speech :—]*

Maharaj Bahadur and Gentlemen,—I first met Babu Shishir Kumar Ghose ten years ago, and the impression, which he then made on me, remains with me to-day. It is true, that even before meeting him I had formed a very high idea of him, because I had heard a great deal about him from my master, the late Mr. Ranade, who always spoke of him in terms of great admiration and affection; but it was not till I actually met him that I realized what a wonderfully interesting and inspiring personality his was. What struck me most in him was the combination of deep spirituality with passionate patriotism, and this combination produced another combination of two seemingly contradictory qualities—deep peace and great restlessness of mind and energy. His patriotism made him a restless and incessant worker in the service of his country, and yet behind it all was deep peace, born of true spirituality. Often in the midst of a strenuous argument, when he was emphasizing his point of view with all the energy of his powerful mind, he would suddenly break into a gentle smile, and change the subject with some affectionate enquiry of a personal nature, thus giving us a glimpse of the peace that lay underneath his restlessness, and showing that in the midst of the din and turmoil of practical life, he could, when he chose, withdraw himself into an inner sanctuary, there to be alone with his maker. Such a man possessing the dynamic power which comes from the intensity of conviction and that quiet strength which springs from faith, was bound to attain greatness not only in India, but anywhere in the world, and it is no wonder that Shishir Babu exercised such vast influence on his times and surroundings in this country. Gentlemen, it

is not for me to dwell before a Calcutta audience on the great and lifelong services which he rendered to us. We lose in him a great spiritual teacher, a true and earnest patriot who loved his country, as few love her, a vigorous thinker and a courageous and strenuous worker. I am sure that when the history of these times comes to be written, Shishir Babu will occupy a foremost place among the makers of modern India. And now that this brave, earnest and simple soul has passed away from our midst, I think we owe it to ourselves that we should not allow his memory to fade from our minds. The lives of such men as Babu Shishir Kumar Ghose are a possession to the country, and they are rich heritage for succeeding generations. I, therefore, trust that this gathering will take steps to perpetuate Shishir Babu's memory in a suitable manner, and, thereby show that we are not unmindful of the debt under which he has laid us by a life so nobly spent in the service of our motherland.

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## SIR JAMES MESTON.

*[The Hon'ble Mr. Gokhale delivered the following speech at the farewell dinner to the Hon'ble Sir James Meston at Peliti's Restaurant on 23rd March 1912 :—]*

Gentlemen,—I rise now to propose the health of our honoured and distinguished guest, Sir James Meston. My friend on my right, Dr. Rash Behari Ghose, has just reminded me that post-prandial speaking is a somewhat difficult art. I remember to have read somewhere that its soul has to be a delightful sense of humour, for an enlivening effect on the audience should be its special distinction. Very probably the sense of humour is stimulated to special activity by a hearty meal and a somewhat free resort to the cup that more than cheers. If that be so, my qualifications for performing satisfactorily the duty which, by the kindness of my colleagues, has been entrusted to me are of the poorest. There is, however, one circumstance which makes my task, which otherwise would have been so difficult, a comparatively simple one. The enthusiasm with which you will receive this toast will be supplied by your own hearts and need not depend upon what I say or how I say it. Gentlemen, every one of us in this room is not only glad but proud to be here this evening to do honour to Sir James Meston. I think the present Viceroy has so far been most happy in his appointments but in no appointment that he has made has he been happier than in that of Sir James Meston to the Lieutenant-Governorship of the United Provinces. It is a striking circumstance and one that bears eloquent testimony to Sir James' great worth that his elevation to the high office has been received with deep and universal satisfaction by men of all classes and creeds and of different schools of thought. For once, at any rate, the lion and the lamb have lain together. Europeans and Indians, the *Pioneer* and the *Leader*, the *Bengalee* and the *Englishman*—all are united in acclaiming the appointment as the



wisest and the best that could be made. The explanation of this singular phenomenon is not far to seek. There is in Sir James a combination of qualities which must strongly appeal to every one whatever his race or creed or the political complexion of his views. He is a man of great ability—one of the most brilliant members of the Indian Civil Service. His devotion to duty too is remarkable. For many years he has been one of the hardest worked officials in the country. Then there are his scrupulous conscientiousness and his high character. And, finally, every one recognises in him the finest type of the English gentleman. No wonder, therefore, that Sir James enjoys, in an unstinted measure, the esteem and confidence of all classes. But the Indian communities see in him in addition an official of wide sympathies, of exceptionally broad and liberal views, one who not only understands but is friendly to their legitimate aspirations. Now, we the non-official members of the Viceroy's Legislative Council, share these feelings for him with the rest of our countrymen. But in addition we have special reasons of our own to regard him with that great admiration and affection which we all entertain for him. Some of you may be aware that in 1908, Sir James acted for a few months as Finance Member of the Viceroy's Council, and in that capacity he had to take part in the deliberations which resulted in the formulation of the reform scheme of four years ago, and he was a signatory to the Government of India's final despatch on the subject. It is a significant illustration of the rapidity with which the *personnel* of the Government changes in this country that of all men who signed that despatch Sir James is the only one who is still in the country. I do not know if that circumstance has given him a special sense of a kind of parental responsibility for the reform scheme, but this we all know that he has believed whole-heartedly in the new Council and has done everything in his power to make it a success. He has been ever ready to help non-official members with suggestion, with advice, even with guidance, and there has never been anything forbidding about him. This was probably because he was always so sure of its facts, for it has often been our experience that the less an official

knows, the more forbidding he tries to look. Often when he was immersed up to the very eyes in work, often when he was simply driven, many of us have had to go to him to consult him about our figures or ask him for information which we could not obtain from sources available to us, feeling almost guilty in our own minds that we were adding to his burdens at such a time. But his great courtesy and his smile of welcome never failed; never was there the least suggestion of impatience, of annoyance or complaint, and we were invariably enabled to come away with the impression that the only thought in his mind was not that of the trouble we were giving him, but of our trust in his friendly feeling which made us turn to him in our difficulties. And, gentlemen, I know I am expressing the feeling of all when I say that each one of us is indebted to Sir James for the valuable assistance repeatedly given, and that the work of several of us would have been very difficult, if not quite impossible, without his assistance. His warmest good wishes have been with us in our work in the Council, and we are glad to have this opportunity to tender him an expression of our sincerest gratitude. We view with unfeigned sorrow his departure from the Council, though we rejoice greatly that he has been promoted to a higher sphere where he will have ampler opportunities of public usefulness.

Gentlemen, it has been said Sir James becomes a Lieutenant-Governor at a comparatively young age, for he is only 46. The other day while reading a sketch of his life published in the *Hindustan Review* of our colleague, Mr. Sinha, I was amused to come across a story of Sir James' earliest official life in this country. In those days the age for Civil Service was lower than at present and in filing an appeal against a Judgment of Sir James' in a criminal case, a mischievous lawyer—I fear the element is well represented at this table—put in the very forefront of his objection 'the learned magistrate is a minor.' Well, I think I may assure Sir James that if he makes a mistake in his capacity—and even he must make mistakes occasionally—the people of the United Provinces will not go up to the Government or the Secretary of State with the

complaint—‘His Honour the new Lieutenant-Governor is under 50.’ Nay, rather I think, will they overlook the mistake or refer gently and tenderly to it as to a mistake made by a near friend. Gentlemen, it now remains for me only to wish Sir James Godspeed. We wish him all health and happiness wherever he may be and in this we hope he will permit us to include Lady Meston. We are confident that during his term of five years the United Provinces will be an object of envy to the whole country, and we shall watch with utmost interest his career and his achievements. And our eyes will continue to rest on him, our hearts will be lifted up with prayers innumerable that he may be enabled to realize his best hopes and ours and that his administration should prove not only a success but a great and glorious success. Gentlemen, I give you the health of Sir James Meston.

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## FAREWELL TO LORD MINTO.

*[The following is the full-text of the speech delivered by the Hon'ble Mr. Gokhale at a farewell entertainment given to Lord Minto by the citizens of Bombay in December 1910 :—]*

Ladies and Gentlemen,—The Entertainment Committee has done me great honour by asking me to propose on this occasion the health of Their Excellencies Lord and Lady Minto. It has been my privilege to represent this presidency on the Viceroy's Legislative Council during all the time that Lord Minto has been at the head of the Indian administration. I may, therefore, claim special opportunities to have watched at close quarters the great work that he has done for us, even more than the work, the spirit in which he had laboured to accomplish that work. To this work and spirit some very eloquent tributes have been paid during the last few days, and I don't think there is much left unsaid which now requires to be said. I will not, therefore, detain you any longer, but I wish to say just one or two things. The first thing that I would like to say is that that though during the last two years of His Excellency's administration, the atmosphere was quieter and the feeling easier, still there is no doubt that during the first three years the situation was very dark and very anxious indeed and even when it was the darkest and most anxious and even when the clouds were thickest, we all felt that we had at the head of the administration a ruler whose sympathies were frankly generous towards our reasonable and legitimate aspirations and whom we could trust. (Cheers.) I venture to think that this was a factor of considerable importance in the situation. Another I would like to say is that during the five years it has fallen to His Excellency's lot to make many speeches and in view of the great provocation that was caused to His Excellency there would have been ample excuse for the use of harsh language, yet not one word had fallen from His Excellency which can be

resented as unjust or which could leave a stain behind it. (Hear, hear.) I think this is a most significant tribute to the qualities which have made His Excellency's career a great success. His Excellency has played a historic part in the administration of the country and everybody recognises that he has done his best to deepen and broaden the foundation of the administrative fabric. The people of this country, whatever their faults, are not wanting in feelings of gratitude, and I assure you that his name will be cherished with affection and admiration for a long time to come. And in the loving memory of the people another name will be included—that of Her Excellency Lady Minto—(Cheers)—who has been by his side through the times of storm and stress, and who in her own sphere has done so much for the advancement of the women of India. (Applause.) India parts with Lord and Lady Minto with unfeigned regret, and we wish them long life and prosperity. (Applause.)

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## PRESENTATION TO LADY WEDDERBURN.

*[The following speech was delivered by the Hon'ble Mr. Gokhale at Lady Schwann's "At Home" on July 4, 1912, specially arranged for presenting to Lady Wedderburn a beautiful necklace of Indian work, set in diamonds and pearls, with a pendant of enamelled lotus-leaves, surrounded by precious stones :—]*

Ladies and Gentlemen,—Sir William's official life had been spent in the Bombay Presidency, and, though his work after retirement was for all India, Bombay naturally took a special pride in it. When, therefore, it was definitely settled that he was coming out to India to preside over the Allahabad Congress, a committee of many prominent citizens was formed in Bombay to take steps to express our admiration and affection for him in a suitable manner; and the committee resolved that the expression should take the form of a farewell entertainment to be given in Bombay on the eve of Sir William's departure from India. Unfortunately, the strain of incessant work, which it was found impossible to avoid, told on Sir William's health, and on his going to Calcutta from Allahabad it was thought best that he should sail back to Europe from Calcutta direct, instead of returning to Bombay. The committee in Bombay, who had collected a sum of four thousand rupees for the entertainment, were naturally very much disappointed at this decision, but they had to acquiesce in it as there was no help. They then decided to devote the money to sending to Lady Wedderburn a souvenir of Sir William's matchless services to India, of his last visit undertaken at such risk, and of the anxious time through which Lady Wedderburn had to go on our account, as was clear not only from her letters, but from what we learnt from the nurse. When Sir William came to know of this intention of the committee he wrote to Mr. Wacha, one of the secretaries, begging him not to spend more than a very small amount on

the souvenir, and urging that the bulk of the money should be made over to the fund which had been started in Bombay for the promotion of village sanitation as a memorial to Miss Florence Nightingale. The committee, while unwilling to be diverted from its purpose, could not disregard Sir William's wishes entirely. And so it was finally resolved to contribute one thousand rupees out of the money to the Miss Nightingale Fund and devote the rest of the amount to the souvenir which is a necklace of Indian design and Indian workmanship—the work having been executed at Bangalore—with the Indian lotus-flower in the centre. As I was coming this summer to England the committee very kindly desired me to act on its behalf and make the presentation. This is what the secretaries wrote to me before I left India :—"Dear Mr. Gokhale,—As you are proceeding to Europe, and will be in London for some time, we have the pleasure to request you to be so good as to kindly agree to present to Lady Wedderburn, on behalf of the members of the Sir William Wedderburn Bombay Reception Committee, December, 1910, the necklace of brilliants which the committee unanimously voted to be presented to her as a souvenir to Sir William's last visit to Bombay and as a sincere token of the very high esteem, admiration and affection in which Sir William is universally held in this City and Presidency, and of the gratitude we all feel for the great and invaluable services he has rendered to India during a lifetime devoted entirely to her service." In accordance with this wish of the committee it is my privilege now to present this necklace to Lady Wedderburn. Long may she and Sir William be spared—objects of affection, gratitude and reverence to the countless millions of India !

Ladies and gentlemen, I stated at the outset of my remarks, that for certain special reasons, Congress leaders in India were anxious, in 1910, to get Sir William Wedderburn to preside over that year's Congress, and I think I should explain briefly what those reasons were. The year 1910 marked the definite closing of one chapter and the opening of another and a brighter one in the history of India. The far-reaching scheme of reforms announced at

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the end of 1908, was brought into operation during 1909, and the first elections to the new Councils took place at the beginning of 1910. It was an important juncture, and the foremost need of the situation was that all classes of the community—officials and non-officials, Hindus and Mahomedans, and different sections of the Progressive party—should join in a common effort to make the new order of things a success. Old misunderstandings had to be put aside; old quarrels healed before the country could enter successfully on the new era which undoubtedly was in sight. For some time before the introduction of the reforms a steady alienation of feeling had gone on between the officials and the people in India—an alienation which culminated in the bitterness that characterised the opening years of the new century. The Hindus and Mahomedans, too, who had long lived amicably side by side in the country, had come to be divided widely by a sharp and somewhat sudden antagonism as regards the share which the Mahomedan community was to have in the new privileges. And, owing to the occurrences at the Surat Congress in 1907, a serious split had taken place in the ranks of Congressmen in the country, bringing in its train those disastrous consequences which disunion never fails to produce. All these differences were bound to hamper the working of the reform scheme, and no task was therefore more vitally necessary in 1910 than that of earnestly addressing a plea of conciliation all round to the different interests or sections concerned. And Congress leaders felt that from their side, no one could urge such a plea with more authority or with greater effect than Sir William Wedderburn. It was, therefore, as a great conciliator that Sir William was invited that year to go out to India. And the address which he delivered from the chair of the Congress showed how fully he realised the requirements of the situation and how whole-heartedly he entered on this mission of conciliation. The keynote of the address was triple conciliation—conciliation between the officials and the people, between Hindus and Mahomedans, and between Congressmen and those who had seceded from the Congress. With the authority of an old official and of a devoted friend of Indian aspirations, he appealed to officials



and non-officials to put aside, as far as possible, their old differences and enter on their new duties under the reform scheme in a spirit of mutual appreciation and co-operation. As one who had laboured for India as a whole, and never made any distinction between Hindus and Mahomedans, he appealed to the members of both the communities to think of their vast common interests and unite in the sacred service of their common Motherland. But as the recognised head of the Congress organisation for a quarter of a century in England, he appealed to the seceders to return to the fold, appealing to Congressmen at the same time to make it as easy as possible for them to return, consistently with the fundamental position of the Congress. And in every quarter his words evoked a cordial and sympathetic response. Wherever he went the officials took occasion to mark the esteem in which they held him, and even His Excellency the Viceroy gave expression to his satisfaction at the work which Sir William had done. The Anglo-Indian Press was full of generous appreciation. His Highness the Aga Khan, with about fifty prominent members of the Muslim League, went specially from Nagpur where the League was then holding its sittings, to Allahabad where the Congress was in session, to attend a special conference under Sir William's chairmanship to consider Hindu-Mahomedan relations. And those who had seceded from the Congress approached him with letters and telegrams from all parts of India with suggestions as to how a re-union could be brought about between different sections of the Progressive Party, and made it abundantly clear that, whatever their differences with Congressmen in India, for Sir William Wedderburn they had but one feeling—that of intense affection, reverence, and gratitude. It was thus, first, to act as a conciliator all round, at a special juncture in our affairs, that we were anxious to have Sir William in India in 1910. But we were also anxious to have him for another reason. The reforms of 1908, which, as I have already said, opened a new chapter in our history, though they will specially remain associated with the names of two English statesmen—Lord Morley and Lord Minto—were really rendered possible by the long spade-work extending over a quarter of a century done by

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the Congress both in India and in England. And the work in England, which in some respects was even more important than the work in India, was in reality the work of two high-souled and devoted Englishmen—Mr. Hume, now alas! lying in a critical state of health, and Sir William Wedderburn. Other friends of India had, no doubt, contributed to this work from time to time in a lesser degree, but the brunt of it was borne by these two; and it was the barest truth to say that, but for Sir William's single-minded devotion, his dogged perseverance, his singular tact, and his infinite patience, it could not have been kept going for so many years, neither could it have been so fruitful.

After a quarter of a century's official connexion with India, Sir William took up this voluntary work for us, and it is interesting to note that he has now completed another quarter of a century in India's service. Those who know him well need not be told that only a supreme sense of what was necessary in the interests of both England and India impelled him to undertake this work. By nature he is a typical English country gentleman. He loves a quiet life; he is devoted to gardening, and he is fond of travel. And he might well have indulged these tastes after his retirement from the Indian Civil Service, and might have, in addition, enjoyed the dignity of a seat in Parliament—he was for some years in the House, and he might have continued indefinitely—in comparative ease. But he felt that India needed him, and he decided to place his time, his energies, his resources unreservedly at her disposal. Ladies and gentlemen, there have been great Englishmen in the past in this country who from time to time have raised their powerful voice on behalf of India. From Edmund Burke to Charles Bradlaugh a succession of great men have championed the cause of India in Parliament. And India will always cherish their names with gratitude and admiration. But India to them was not their sole or even their main interest in life. It was their strong sense of justice that led them from time to time to enter a passionate plea for justice to India. In Sir William's case, however, India has been his sole and single interest.

And the way in which he has laboured for her now for twenty-five years has really no parallel in Anglo-Indian history. It is, I think, comparatively easy to work for India in this country now, but it was not always so. As a prominent Englishman said to me the other day, it is not difficult to work for a cause with public enthusiasm on your side. It is not even difficult to work for it against opposition. But the most difficult thing is to work for it amidst apathy, ignorance, and ridicule; and most of Sir William's work had to be done under such conditions. An Englishman, who will soon be going out to India in a high capacity, told me only yesterday how his heart used to go out to Sir William when sitting by his side in the House, he watched his sensitive spirit—and Sir William by nature is very sensitive—suffer under constant rebuffs encountered in the service of India. Was it any wonder, then, that when the new order was inaugurated, and a brighter day had arrived, we in India should be anxious that one who had laboured for us so strenuously and borne for us so much should come out to witness with his eyes the fruit of his patient and devoted labours? It is true that the Reform scheme does not carry us far—that we are still a long way from the enjoyment of any real self-government. But it constitutes a valuable step in advance. Its most important feature is the power conferred on members of Legislative Councils to raise debates on administrative matters. By a wise and persistent use of this power we shall be able gradually to substitute an administration conducted in the light of public criticism responsibly tendered by public men face to face with officials for an administration conducted by officials with good intentions, no doubt, but conducted in the dark and behind the backs of people. And this, to my mind, is a great step in advance. I think a machinery has now been created in India whereby all our minor grievances can be brought effectively to the notice of the Government without troubling Parliament or the people of this country. For large questions of policy or principle our appeal will have still to be here; but the labours of Sir William Wedderburn and those associated with him have resulted in placing in our hands an instrument of progress which

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will meet all our minor requirements, and will further enable us to exercise no small influence in moulding our own future. We, therefore, rejoiced when Sir William definitely accepted our invitation. We rejoiced when he arrived in India and we rejoiced even more when he was able to leave the country after completing his labour of love, undertaken at his great age and in his unsatisfactory state of health, without a serious breakdown. And now, ladies and gentlemen, nothing remains for me but to tender once again our heartiest thanks to Sir Charles and Lady Schwann for the great trouble which they have so readily taken in arranging this function and to you all for your kind presence here this afternoon.

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PART V.

**MISCELLANEOUS.**

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SPEECHES IN INDIA AND ENGLAND.

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THE HOME CHARGES.

*[A very largely attended public meeting of the inhabitants of Bombay was held on Saturday, July 15th, 1893, in the hall of the Framjee Cowasjee Institute, under the auspices of the Bombay Presidency Association, to adopt a Memorial to the House of Commons on the subject of the Home Military Charges in India. The Hon. Sir (then Mr.) P. M. Mehta was in the chair, and Mr. Gokhale moved the adoption of the Memorial in the following speech :—]*

Mr. Chairman and Gentlemen,—Under ordinary circumstances, I should have hesitated to take upon myself the responsibility of proposing a resolution on so difficult and so complicated a question as the Home Military charges of India. But my task has become materially lightened by the very interesting debate which took place on this subject in the House of Lords about two months ago on a motion brought forward by the Earl of Northbrook. I think, gentlemen, and I am sure you all think with me, that Lord Northbrook has rendered a high and valuable service to the people of this country by raising his voice in the way he has done—I mean by raising his voice in so firm and emphatic a manner—against the injustice to which India has, for years past, been subjected in this matter of the Home Military charges.

It is clear that His Lordship means business, for he has followed up the debate of 15th May by moving for papers that passed between the Government of India and the Home Government between 1874 and 1876, *i.e.*, at a time when he himself was Viceroy of India. Gentlemen, it is an undoubted advantage to our country that so cautious and so hard-headed a man as Lord Northbrook has, on the present occasion, stood up for justice to her. For if it means anything, it means that there is something really rotten and really intolerable in the existing arrangements. Remember, gentlemen, Lord Northbrook speaks with uncommon authority and unrivalled knowledge on this subject. He was at one time Viceroy of India, and it was while he was Viceroy that a Select Committee of the House of Commons—I mean the East India Finance Committee of 1874—made an exhaustive inquiry into this matter and reported that India was unjustly burdened with many charges which ought in fairness to be borne by the British Exchequer. Naturally Lord Northbrook had then to pay great attention to this subject, and he pleaded the cause of India with great earnestness and force. Then, since his return to England, he presided, with some short intervals up to last year, over a Commission which was appointed by the British Treasury in connection with this matter. His Lordship has thus had this question before him, as he himself stated in the House of Lords the other day for full twenty years. And his utterances in regard to it are therefore entitled to the greatest weight. Then, gentlemen, remember it is not Lord Northbrook alone who has raised this question. Indian public opinion—as represented by Mr. Martin Wood, the late Robert Knight, the late Kristodas Paul, the late Mr. Naoroji Furdunji, and Mr. Dadadhai Naoroji—has in the past often protested against the iniquity of the treatment accorded to India. And before the first National Congress, my friend Mr. Wacha made a remarkable speech on this subject. I call that speech remarkable because, as you will find if you read it, in that speech our friend anticipates Lord Northbrook in many of his complaints. And when you think of that, when you think of the earnest and patient study which our friend has given to this and other equally

difficult subjects, I am sure you will say to yourselves—as I said to myself :—

How much better it will be if some of those who are disposed to find fault with our friend, because sometimes he speaks out his mind too directly and disdains to act on the principle that language is more for the concealment of thought than for its expression, would take a leaf out of his book and devote some portion of their time to a study of these important questions !

Then, gentlemen—and this is a matter of far greater importance—successive Viceroy and Secretaries of State for India have, one after another, protested against these charges as excessive and unjust. Lord Mayo did this; Lord Northbrook, as I have already said, did in the past and is yet doing it. Lord Lytton wrote against these charges and wrote strongly and with his usual candour. The Marquis of Ripon addressed to the Home Government a very earnest remonstrance on the subject. Lord Dufferin followed his example and, judging from Lord Northbrook's speech of 15th May last, it would appear that Lord Lansdowne has also recently raised his voice against these charges. Then, as regards Secretaries of State, Sir Charles Wood, Sir Stafford Northcote, the Duke of Argyll, Lord Salisbury, Lord Hartington, Lord Kimberley, Lord Cross—all in their time have remonstrated with the British Treasury and the War Office that the Home Military charges of India were exorbitant and unfair. But, as Lord Kimberley himself said the other day, the Secretary of State for India possesses less influence than any other Minister in the English Cabinet, and thus the remonstrances of all these men have hitherto been of no avail. It is, therefore, a matter for congratulation that Lord Northbrook has made up his mind to invoke the authority of Parliament to set matters right. And it is also a matter for congratulation that our friends in the House of Commons, Mr. Cairnes, Mr. Macfarlane and others, have taken prompt steps to strengthen Lord Northbrook's hands. Gentlemen, the controversy which Lord Northbrook has raised, and to which alone we confine ourselves on this occasion, refers to that portion of the Home charges which is shown as Military. The total Home charges of India are

exceedingly heavy and so is the total Military expenditure. But on this occasion we speak neither of the Home charges as a whole nor of the Military as a whole. We confine ourselves only to the Military portion of the Home charges. This charge for the year that has closed has been nearly 5 millions sterling, *i.e.*, over 7 crores of rupees. It is, as many of you may be aware, made up of two parts, effective and non-effective, each being about half of the whole. The effective charges chiefly include a large sum annually paid to the War Office, because the British troops serving in India are recruited and sent out here by that office, an equally large sum for the stores supplied to these troops, a considerable sum for the expenses of the Indian Troop Service, *i.e.*, of the transport ships which bring out British troops here and take them back to England, and the furlough allowances of the officers and men in the British Army in India. The non-effective charges consist principally of payment to the War Office for retired pay and pensions of British troops for service in India and pay and pension of non-effective officers and retired officers of the Indian Service. Gentlemen, it is most unfortunate that since the amalgamation of the armies in England and India *i.e.*, during the last thirty years and more, these Home Military charges have been, owing to one thing or another, increasing almost from year to year and this has gone on in spite of strong remonstrances from the Government of India and the Secretary of State for India, only because English Ministers try to relieve English budgets at the expense of India, and the people of this country have no voice in the English Parliament. I must invite your attention to a few figures to make my meaning clear to you. Thirty years ago, *i.e.*, in 1862, the total Home Military charges of India were only a little over two millions sterling. To-day they are close upon 5 millions. I will not, gentlemen, weary you with figures for all these thirty years, but I will divide these years into six periods of 5 years each and give you the average figures for the quinquennial periods. From 1862 to 1867, the average Home Military expenditure was nearly 2½ millions a year. In the next period, *i.e.*, from



1867 to 1872, it was a little less than  $3\frac{1}{2}$  millions sterling. From 1872 to 1877, it was a little over 3 millions, 6 hundred thousand pounds. From 1877 to 1882, it was a little over 4 millions. This average was maintained during the next period, *i.e.*, from 1882 to 1887. The tendency of the charges to increase was for a time checked by a new scheme of making payment for pensions, which was introduced in 1884, and which for the time considerably reduced the annual charge for pensions. From 1887 to 1892, the average was a little less than  $4\frac{1}{2}$  millions, and for the years 1892-93, these charges were close upon five millions. Gentlemen, I hope you now see how these charges have been constantly increasing and how in thirty years have more than doubled themselves. The burden thrown on the Indian revenues by the charges has again, during recent years, been rendered more heavy by the fall in exchange and if you take this fall in exchange into account, you will find that India pays to-day for these charges more than three times of what she paid thirty years ago. Further, this increase appears still more serious when it is remembered that the part of this expenditure, which is under the control of the Government of India, has been steadily reduced and also that Government now purchases a part of the stores in India itself. I will now briefly refer to the principal details of these charges. The first item among the effective charges is the payment annually made to the War Office for the recruitment expenses of the British forces in India. Last year this charge was nearly a million sterling, though generally it is about three-fourths of a million. Owing to the amalgamation of the English and Indian Armies in 1859, the Government of India is forced to depend for her British troops on the English War Office, and has, therefore, to pay for their recruitment practically whatever price the War Office demands. There are various interesting points connected with this question of recruitment, but I will not trouble you with them. I will mention to you only one fact, that high military authorities have repeatedly expressed the opinion that the sum demanded by the War Office for recruitment is a most exorbitant one and that if the Indian Government were

allowed liberty of action in the matter, it could get the required recruits for a small fraction of the sum. Sir Charles Dilke, who is one of the highest authorities on these subjects, says, in his Imperial Defence, that the sum charged at present to India is monstrously large and that nearly the whole of it could be saved to India, if the Government of India were allowed to take its own measures for the recruitment of its troops. The next effective charge to which I would call your attention is the charge for stores. The charge naturally varies from year to year, but it is never less than half a million and last year it was nearly nine hundred thousand pounds. Now, here also the discretion of the Government of India is, for the most part, fettered and it has to purchase its stores from the War Office. And the complaint has been repeatedly made that the War Office demands excessive prices for these stores, and practically tries to make a large profit out of the arrangement. The next item is that of the Indian Troop Service. Gentlemen, I have already explained to you that this charge means the expenses of the transport ships that are built and kept at India's expense for the purpose of bringing out here and taking back again to England the British troops that serve in this country. Last year this charge came to about two hundred and forty thousand pounds. Now it has often been urged, and rightly urged, that there is no necessity in these days to maintain three ships at such enormous cost, because British troops could very well be brought out and sent back like other passengers. The maintaining of these ships by Government for the sole use of British troops involves a large waste of our money, as may be seen from the fact that for five months in the year these vessels do absolutely nothing and yet their establishments have to be paid for all the same during this time. Then there is the question of the furlough allowances. But it is a comparatively small question and I will not go into that on this occasion. So far I have dealt with the effective charges. As regards the non-effective charges, there are only two principal items and these are payments to the War Office for retired pay and pensions of British forces for service in India and the pay and pensions of non-effective and

retired officers of the Indian Service. The first of these two items is not now as heavy as it was before 1884. For the last year it was a little over one-third of a million. But, as was anticipated in 1884, and as was pointed out by Lord Northbrook and Lord Kimberley in their speeches of 15th May, this charge will now rapidly grow, and in a short time, under existing arrangements, it may become heavier than it ever was. It is in regard to this charge that Lord Northbrook stated the other day that, during the last fourteen years, the War Office had taken from India four millions sterling more than was fair or just. We cannot, therefore, do better than ask the protection of the House of Commons in regard to this charge. As regards the other non-effective item, it is, gentlemen, really a very serious matter. For the last year this charge stood at the huge figure of about one million nine hundred thousand pounds, *i.e.*, about two crores and seventy-five lakhs of rupees. During the last thirty years, this expenditure has more than doubled itself. I am aware, gentlemen, that this part of the question is one which is beset with great difficulties. On the one hand, there are liabilities incurred by the Government in expectations legitimately formed by men in the service. But, on the other hand, there are the claims of the poor tax-payer of India to be considered, and if things are allowed to drift on as at present, there is no knowing to what figure this charge may grow. Our prayer, therefore, is that Government should now look on this item carefully and take whatever measures may be necessary to stop its alarming growth. But, gentlemen, even if it were to be put aside, this large figure of pensions to officers of the Indian Service, a large saving in respect of the other item—effective and non-effective—is what we are clearly entitled to. And, in my humble opinion, the sum so saved will come to from a million to a million and a half sterling, *i.e.*, from a crore and a half to two crores of rupees every year, and this I consider to be a moderate estimate. There is another point raised by Lord Northbrook in his speech which finds a place in your memorial of to-day. England has in the past borrowed troops from India for expeditions undertaken from considerations of Imperial policy, such as the expedi-

tions to China and Persia, the Abyssinian Expedition and others, and on all these occasions, all the ordinary expenses of these troops have been taken from India, England defraying their extraordinary expenses alone. On the other hand, when India had to borrow troops from England, as on the occasion of the Sind Campaign of 1846, the Punjab Campaign of 1849, and the Mutiny of 1857, every farthing of the expenses of these men, ordinary and extraordinary, including even the expenditure on their recruitment, was extorted from India. I think, gentlemen, I have now made it sufficiently clear to you that for years past India has been most unjustly treated by England in the matter of Home Military charges. Our prayer, therefore, now to the House of Commons is that the House be pleased (1st) to direct rich England to refund to poor India whatever has been unjustly extorted from her in the past; (2nd) to order that no charges, which, in fairness, ought to be borne by the British Exchequer, should hereafter be thrown on India; and lastly, to lay down by Act of Parliament the amount or proportion of the non-effective charges of the British forces for service in India, that should hereafter annually be borne by this country. Gentlemen, do not suppose that when we ask for a refund of the money overdrawn by England in the past, we are making an unreasonable request. For the War Office itself has often in the past acted on this principle by compelling India to pay large sums as arrears and this selfish and despotic office has at times gone to such a length that even when, owing to its own dilatoriness in presenting bills to the India Office, its claims remained for a time unpaid, it extorted from India afterwards not only the full payment of those claims, but charged interest and, in some cases, even compound interest. Then, as regards our second request, I think the House of Commons is, in common justice, bound to grant it, and where that is done a substantial relief will come to the finances of India, for a crore and a half of rupees every year means a good deal to the people of this country. Then, in preferring the third request, viz., for Parliamentary legislation to fix the amount or proportion which we should annually pay to the War

Office for non-effective charges, we are only reiterating a proposal made by Lord Ripon's Government in 1883. The advantages of such an arrangement are many and obvious. But the most important of these advantages is, in my opinion, this, that whenever these charges are increased they will come to be carefully examined by the House of Commons, because the English charges also will be proportionately increased and thus a sort of Parliamentary supervision will be ensured to our own charges. But, gentlemen, before the House of Commons can do all this, it is necessary that it should order a thorough inquiry into the subject and we, therefore, pray in the Memorial that a Select Committee be appointed for the purpose. Gentlemen, I hope I have made all the points in the Memorial clear to you. I have already taken up too much of your time, but there is one aspect of the question, about which I will say just a word before I conclude. You may be aware how critical the condition of Indian finance at present is. Government has exhausted every available resource and no further taxation is now possible without inflicting intolerable hardship on the poor and miserable millions of this country. The Herschell Committee has practically admitted this fact in its recent report. On one hand, there is the ever-deepening gulf of the Home charges and the military expenditure necessitating a grasping and relentless revenue policy and an intolerably burdensome duty on the poor man's salt; on the other hand, there are millions upon millions of people, sunk in the lowest depths of poverty and misery, paying taxes far beyond their means, and therefore panting for relief. I think, gentlemen, that, in such circumstances, it is the bounden duty of the Government of this country and of the British Parliament to effect all possible economies in the expenditure of the country and thereby give these millions groaning under their burden the relief they seek. I think a Government which lends a willing ear to the complaints of the well-paid European cannot, in common humanity, shut its eyes to the misery of the poor peasant, who toils and moils from dawn to dark only to find himself badly clothed and worse fed. I think, if Government effects the economies in the Home Military charges which have

been repeatedly pointed out to it, the poor man's salt can, at any rate, be made cheaper to him, even if no other relief be possible. Gentlemen, England is strong, but let her not abuse her strength by extorting from poor India more than she has a right to receive. England professes to be anxious to do justice to India. We have had nearly a century of these professions and it is now time we had a little of the practice of the thing. I, therefore, trust that the House of Commons will grant our prayer. It is in this hope that I propose this Resolution and it is in this hope that I earnestly call upon you to adopt it.

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## MOFUSSIL MUNICIPALITIES BILL.

*[At a meeting of the Bombay Legislative Council held on Tuesday the 12th February 1901, His Excellency Lord Northcote presiding, the Hon. Sir Charles Ollivant moved the second reading of the Bill for the better management of municipal affairs in mofussil towns and cities. The Hon. Mr. G. K. Gokhale then spoke as follows :—]*

Your Excellency,—The Bill, as originally drafted, contained so many provisions of a distinctly retrograde character and bore on its face such evident impress of a desire on the part of the framers to recede from the position of 1884, that few of us, I confess, had any hopes that it would emerge from the Select Committee in the form which it has now taken. It is true that the Honourable Sir Evan James, who was then in charge of the Bill, introduced the measure in a speech which, for breadth of view and for a generous appreciation of the work and difficulties of municipal bodies, was a notable utterance, and which, if it had stood alone, would have been a source of sincere satisfaction to the people. Unfortunately, the speech was accompanied by a Bill so much at variance with the sentiments expressed by the mover, that the Honourable Mr. Justice Chandavarkar could not help exclaiming on that occasion how he wished that the Bill had been as good as its author. Those, however, were perhaps peculiar times. At any rate, on going through the proceedings on that occasion, I could not repress a smile of amusement at the boldness of some of the claims advanced. Thus the mover of the Bill, in replying to the debate on the first reading, said that he was not at all dissatisfied with the reception the Bill had met with, in spite of the fact that the measure had evoked a perfect storm of protest both in the Council and outside it. Why, Sir, even my honourable friend, Mr. Desai, whose mental eye appeared at that time to range over free fights among Municipal Councillors, their want of capacity and want of

principle, was all the while imagining that he was speaking as an ardent advocate of local self-government. All this, however, is now a matter of history, and if I recall the circumstance to Your Excellency's mind on this occasion, it is only to show what great reason the people of this Presidency have to feel grateful to the Honourable Sir Charles Ollivant for the conciliatory manner in which he has led the Select Committee in its deliberations on this Bill and for striving to meet the public wishes at least half way. Every one of us who served on the Select Committee was impressed not only with his great knowledge of municipal affairs—that, of course, was well-known—but with the enormous industry which he bestowed upon the Bill, drafting, re-drafting again and drafting again so many of its provisions, and with the anxious solicitude which he throughout evinced to enter into the spirit of non-official criticisms and objections and remove, as far as he could, the causes for reasonable apprehensions. Happily, his view of local self-government coincides largely with that held by many thoughtful persons in this country, both Natives and Europeans, as to the scope and purpose of municipal institutions. There are, as many here are no doubt aware, two ways of looking at this question of local self-government. One view is that, while the work of deliberation requires the assistance of many minds, all executive work must be entrusted to a single officer with large statutory powers. The other view is that not only the work of deliberation but also executive work ought to be entrusted to Municipal Councillors, who should do the latter by means of small sub-committees, thereby enabling the chosen representatives of the people to acquire direct experience of executive work and of a proper performance of civic responsibilities. The first view is finding increased favour in the United States and has largely influenced the Municipal legislation of our Presidency towns. The second view is strongly held in England and on the continent of Europe, and it has supplied the lines on which municipal legislation in mofussil towns in India is based. Now, my Lord, I am willing to admit that the first scheme is perhaps better suited to the Presidency towns by reason of the largeness of their areas and the

diversity of their populations, on the score of race, colour and creed, and the magnitude of the interests involved. But there is no justification for extending such legislation to mofussil towns, which greatly appreciate the lines on which their present municipal constitution is based. It seems to me, my Lord, that in this matter of local self-government, Government sometimes manage to do, by almost an irony of fate, just the thing which the people do not care for. Thus in 1888, when the Bombay Municipal Act was revised, Government sought to assimilate the constitution of the Bombay Corporation to that obtaining in the mofussil, when the citizens of Bombay did not require such a change; and it was only after a strong protest on the part of the Bombay Corporation, which was ably voiced by the Honourable Mr. Mehta and the late Mr. Justice Telang, that Government abandoned their proposals. Here, on the other hand, when people in the mofussil are satisfied with their existing constitution, Government proposed to change that constitution into something analogous to that of Bombay. Fortunately, under the direction of the Honourable Sir Charles Ollivant, that attempt has now been abandoned. Having made these few general observations, I will now, with Your Excellency's permission, proceed to say a few words on the Bill before us. I wish to state at the outset that, although the public feel deeply grateful to the honourable member in charge of the Bill for several important modifications which, under his guidance, the Select Committee has introduced, some of these modifications do not go far enough, and if we have proposed no amendments in regard to them, it is because those of us who represented the other side of the question in the Select Committee, accepted the modifications there in a spirit of compromise on the principle that that half a loaf is better than no bread. Moreover, there are even in this revised Bill some provisions which it is impossible for us to approve, and, of course, in regard to them we have given notice of the amendments which we intend to move. My Lord, the Bill before us may be considered under five heads: (1) Constitution; (2) Administrative procedure; (3) Duties and obligations; (4) Municipal powers; (5) Government control.

With reference to the first of these divisions, *viz.*, 'Constitution,' I beg leave to observe that, while the revised Bill is a great improvement on the original draft, there are one or two points under this head which are open to serious objection. I refer specially to the proposed provision for conferring the elective franchise on sections of inhabitants. I think, my Lord, when the history of this question of the introduction of the elective franchise into the constitution of Municipalities comes to be considered, it will be admitted that those among us who believe—and believe sincerely—that the right policy in such matters is that of a steady, though cautious advance, have behaved with great moderation in not moving amendments suggesting an extension of the present franchise. When the Act of 1884 was under consideration and when the Government of that day proposed to fix the minimum of elected members at one-half, it was contended by some of the non-official members that the minimum was low in the case of the more advanced municipalities at least and that in their case a more extended franchise was essential. Sir James Peile, who was in charge of that Bill, thereupon gave the assurance, and he repeated it again and again in the course of the debates that, though the Bill prescribed a minimum of one-half, there was nothing to prevent Government from prescribing a higher proportion for individual Municipalities in consideration of their fitness as determined by the level of intelligence and growth of civic spirit among them. Sir James Fergusson, who was then Governor, also stated that it was his hope that, if not during his time, at any rate during the time of his successor, it might be possible for Government to allow a higher proportion of elected to nominated members in the case of the leading Municipalities at least. Nothing, however, was done during the last fifteen years by Government to carry out this undertaking except in the case of Poona, where the proportion of two-thirds to one-third was granted during Lord Reay's time; but this special privilege has recently been, for all practical purposes, withdrawn. Though, therefore, it might have been justified in proposing that the Legislature should now prescribe a:

higher minimum in the case of the more advanced Municipalities at least, we have refrained from adopting this course with the object of minimising the points of difference between the official and the non-official members; and yet Government have thought it right to adhere to this retrograde provision for conferring the elective franchise on sections of inhabitants. My Lord, in 1884, Sir James Peile, as representing the Bombay Government, stated in distinct terms that Government wanted to retain in their own hands the power of nominating members up to a maximum of one-half, because it might happen that sections of the community, or certain minorities, might not be able to obtain adequate representation by means of the rate-payers' election, and in that case it would be desirable for Government to have this reserve of power in their hands to supply the deficiency. The representations of sections and minorities was thus provided for in 1884 by reserving to Government the right of nominating up to a maximum of one-half of members of Municipal Corporations. In the present Bill, however, Government retain this power of nominating up to a maximum of one-half, and propose in addition that sections and minorities should have seats specially assigned to them out of the minimum of one-half, thrown open to election. I strongly feel, my Lord, it is most undesirable that Government should go back now upon what they distinctly guaranteed in 1884. My Lord, in this matter of the elective franchise our Presidency is already behind the other provinces of India. I have been looking up the Municipal Administration Reports of other Provinces, and I find that in Madras there are 19 Municipalities which are allowed to elect three-fourths of their members. In the North-West Provinces all the Municipalities to which the elective franchise is extended are allowed to elect three-fourths of the member. In the Central Provinces it is the same. In Bengal and the Punjab most of the Municipalities consist of two-thirds elected and one-third nominated members. Here alone, in the Bombay Presidency, the proportion of elected members is rigidly kept down at half and even that, so far as the general ratepayers are concerned, the Legislature now proposes to reduce. The Bombay Government have often claimed

that we in this Presidency are far ahead of other provinces in matters of Municipal administration. Such a boast, however justified on other grounds, is certainly not justified on the ground of the proportion of elected to nominated members on Municipal Boards. I quite admit that it is possible that some sections or minorities might like to be represented by elected instead of by nominated members. In their case, however, all that the Government have got to do is to set aside a certain number of seats which are at Government's own disposal for election by such sections or minorities. Another provision coming under the head of 'Constitution' is in connection with the creation of 'Notified areas.' The original proposal to turn villages or groups of villages into 'Notified areas' has now been abandoned in favour of another adopted by the Select Committee, which restricts the provision on this subject to towns, which are the headquarters of talukas, and to hamlets that spring up in the vicinity of railway stations. In assenting to this new proposal, I am not without apprehension that even in this new form it is capable of being worked in a manner which will cause hardship, and I earnestly trust that Government will be very sparing in the use of the powers which this provision confers upon them and as a result of which people in rural areas will have to bear municipal taxation without corresponding municipal privileges. The analogy of the Punjab has been quoted, but it should not be forgotten that in that province there are at present only 31 'Notified areas' in existence, whereas the Honourable Sir Evan James, in his detailed Statement of Objects and Reasons, has mentioned more than 150 places in this Presidency as fit to be turned into 'Notified areas.' The third point under 'Constitution,' about which I desire to say a word, is the position of the Chief Officer, whom City Municipalities will in certain cases have to appoint. I admit that under the revised provisions the Chief Officer will no longer be master of City Municipalities, as the original Bill practically proposed, and that the powers now conferred upon him by statute are such as may safely be entrusted to an Executive Officer acting under the full control and supervision of a City Municipality. The

provisions about his appointment and removal are, however, in my opinion, not quite satisfactory, and if some of us have accepted them in Select Committee, it was done, as I have already observed, only in a spirit of reasonable compromise. Coming next to the question of 'Administrative Procedure' provided, I may state at once that I have nothing but praise to give to this portion of the Bill. I am fully persuaded that the provisions on this subject are a great improvement on the Act of 1884, and I have no doubt that Municipal Corporations will feel grateful to the Legislature for this part of the Bill. Coming now to the question of 'Duties and Obligations' I think it necessary, my Lord, to enter my respectful but emphatic protest against the proposal to impose additional obligations under this Bill on Municipal Corporations. The list of 'Obligatory Duties,' as set forth in Section 54 of this Bill, is already so long and covers such a vast variety of functions, that, if the obligations which that clause imposes upon Municipalities were to be literally construed, it would be impossible for the richest Municipality in the world to discharge those obligations satisfactorily, and yet the Legislature now proposes to make additions on very inconclusive grounds to that fearfully long list. It is now proposed, in addition to the obligatory duties already recognised, to call upon Municipalities to bear the cost of combating plague and famine, and to make contributions to the Provincial exchequer for Provincial roads passing through their limits, and for leper asylums and for lunatic asylums which Government may establish outside the Municipal limits. Now in regard to the first of these additions, viz., about plague and famine, I submit to Your Excellency that the proposal in the original draft was much worse than the proposal now before us. In the original draft it was proposed to include this duty among the obligatory duties of a Municipality without any qualification whatsoever, but in the Select Committee the honourable member in charge of the Bill advanced so far in the direction of meeting popular objections as to provide that the obligatory duties mentioned in Clause 54 should take precedence of the duties in regard to plague and famine, and that the Municipalities should not provide for the lat-

ter until after making reasonable provision for the former. I confess I am not satisfied even with this modification made in the Select Committee, and if I assented to the modified proposal, it was only because I felt convinced that that was the only way to get rid of the original proposal. I believe the Local Government are acting in this matter under instructions from the Government of India, and we had to make our choice between the proposal as originally drafted and the proposal now contained in this Bill. With reference to the provisions for levying contributions from Municipalities in connection with Provincial roads and leper and lunatic asylums, I respectfully submit, my Lord, that the proposal is inequitable and ought to be abandoned by Government. In the first place the contributions by themselves will be very small, and I ask if it is worth the while of Government to cause needless irritation for such small amounts? Secondly, as I have before observed, the list of obligatory duties is already so long, that any addition to them, however small, ought in my opinion to be deprecated unless Government are prepared to surrender to Municipal bodies corresponding revenues. This was the spirit of the policy enunciated by the Government of India in 1882. But while the list of obligatory duties has grown enormously, I regret to say that there is not a single instance in which Government have transferred to Municipal bodies any of their receipts, and I submit that if new obligations continue to be imposed on the shoulders of Municipalities in this manner, such legislation will come to be regarded by the public not as a scheme of local self-government but as a scheme of local exactions. Next, with regard to the powers conferred on Municipal bodies, I cordially welcome the proposal to extend these powers in several important directions. I think this extension will make Municipal Administration more efficient and Municipal bodies will be able to deal with various difficulties, which crop up in the work of administration, in a simpler and more effective manner than at present. I am aware that there is some difference of opinion among non-official critics of the present Bill as to the advisability of conferring drastic powers on Municipal bodies to deal with epidemics such



as plague. But I beg leave to point out that on this point we had to choose between conferring these powers on Municipalities and leaving these powers under the Epidemic Diseases Act in the hands of Plague Committees appointed by Government and acting with no sense of responsibility to the public; and I believe that, when this question comes to be looked at from that standpoint, the proposal contained in the Bill to confer these powers on Municipal bodies will meet with general approval. Lastly, coming to the question of 'Government Control,' I confess, my Lord, that my mind is not free from anxiety and apprehension, and that these powers of control might prove a source of unnecessary trouble in the hands of unsympathetic officers. I am free to admit that some such powers must be lodged in the hands of Government to make Municipal bodies feel that, if they do not realise their responsibilities properly, there is a speedy and effective method provided to call them to account. At the same time, there is the obvious risk of Government officers sometimes not understanding properly the difficulties of Municipalities or not making allowances in a generous spirit for small shortcomings, and in such cases it would be open to them to suggest to Government the enforcement of the bludgeon-clauses to the humiliation of Municipal bodies and to the prejudice of the cause of local self-government; and this, my Lord, brings me to the concluding portion of my remarks. My Lord, what little practical experience of Municipal administration I possess has taught me one thing clearly, and it is that the District Officers have it in their power to make local self-government a greater success than it is at present, by taking steady and continuous interest in Municipal administration and regarding the work and difficulties of Municipal bodies with greater sympathy than so many of them do at present. I regret to say, my Lord, that in some instances District Officers are found to regard the work of Municipalities with indifference till matters assume a serious aspect and then they suddenly come down upon them with the bludgeon-clauses in their hand. In other cases these officers interfere so constantly and in such a tone of authority that they appear more like dictators than

like sympathetic guides, such as, in my humble opinion, they ought always to strive to be. I need hardly say that neither the one attitude nor the other on the part of District Officers is desirable in the interests of local self-government, and I earnestly appeal to them from this place to realise, in a spirit of generosity and even forbearance, the difficulties and shortcomings of our Municipal Corporations, always remembering that, while it is easy to discredit work done by men who are new to their responsibilities, it is not equally easy to stimulate public-spirited citizens to greater exertions when once their ardour is damped by what they might regard as harsh and unsympathetic criticism or judgment. Mr. John Stuart Mill has stated in his book on "Representative Government" that the object of Municipal institutions is not merely to get local work efficiently done, but also to develop civic spirit and raise the level of general intelligence among the people. I respectfully submit that, in judging the work of Municipal bodies, both these objects, and not only the first, should be stood kept in view. A higher public life has only just begun in the land, and it behoves those who represent the power that has introduced this life into this country to give whatever guidance might be needed with great tact and in a spirit of sympathy, encouraging those who need encouragement and steadying the footsteps of the weak. It is only by such cordial co-operation between District officers and Municipal Corporations that the success of local self-government would be ensured, and it is necessary to ensure this success, because in it are involved the best interests of both the rulers and the ruled.

*[At the same meeting, when the Bill had been read a second time, and was being considered in detail, the Hon'ble Mr. Gokhale moved in clause 11 (c) (ii), lines 19 and 20, to delete the words "or by sections of the inhabitants":—]*

Your Excellency,—This question of sectional representation has been so fully dealt with by various honourable members in the debate on the second reading that I will not take up the time of the Council by making any

lengthy remarks on this subject to-day. My first objection to the inclusion of these words is that they are an attempt to go back clearly on what was expressly guaranteed to the general ratepayers of the mofussil by Sir James Peile, speaking in the name of the Bombay Government. As was pointed out yesterday, Sir James Peile in 1884 stated in distinct and unequivocal terms that a minimum of one-half of the total number of seats was to be filled by means of election by Municipal ratepayers without distinction of race, class or creed, and that the other half or any smaller proportion, whichever it might be, would be filled by Government by nomination in order to secure adequate representation of special interests, including those of sections or minorities. My second point is that, if it is thought that these sections or minorities may wish to be represented by elected, instead of by nominated members, there is nothing to prevent Government from setting aside a few of the seats which are at their free disposal for election by such sections. The honourable member in charge of the Bill stated, in winding up the debate on the second reading, that the half retained by Government in their own hands was required for putting experts in certain matters on Municipal Corporations. From such experience of Mofussil Municipalities as I have, I am in a position to say that even in the largest Municipalities there are no more than two or three nominated members who may, in any way, be called experts in any branch, and that in some Municipalities there are no such persons appointed at all. Therefore, there would always be a large margin of reserve in the hands of Government even after making adequate provision for the appointment of experts. My next objection to this provision is that it tends to defeat the most important object of local self-government. We value local self-government not only for the fact that local work thereby is better done, but also for the fact it teaches men of different castes and creeds, who have long been kept more or less apart to work together for a common purpose. There are in all conscience causes for differences enough among the different sections in this land, and I submit, my Lord, that the Legislature should not, in the best interests of the country, without the very

strongest reasons, give any statutory recognition to these differences. There is nothing in the nature of local self-government which implies any conflict between the interests of one section and another. If the Council will turn to the list of 'obligatory duties' and optional duties, it will be seen that, except perhaps on the question of slaughter-houses, there is no chance of a conflict of interest arising between the different communities. And on that particular question, if the Hindu Councillors anywhere neglected to construct slaughter-houses for the benefit of Muhammadans and other inhabitants, Governments have it in their power, under the provisions of the 'Control Chapter,' to require recalcitrant Municipalities to perform that duty. Then, my Lord, if different sections are to be represented, why talk of the Hindu community as a whole by itself? There are so many castes and sections of this community, and some of them stand so wide apart from one another, that it will be necessary to recognise their differences, and then where are the Government going to stop? The honourable member in charge of the Bill just asked what special merit there was in a road or water-course that it should supply a standard to divide a municipal district into wards, and why the inhabitants of a city would be better divided for municipal purposes into wards than into sections. I think the answer to that is somewhat simple. You divide your presidency for administrative purposes into districts, your districts into talukas, your talukas into towns and villages; for a similar reason a municipal district has got to be divided into wards. If it was possible for all the electors to assemble and vote together and elect all their representatives, I for one would not attach any importance to election by wards. Then there is another reason why it is convenient to divide municipal districts into wards for election purposes. Men residing in the same ward have certain interests in common; those, for instance, connected with roads, lighting and the valuation of properties for the purpose of assessment and conservancy and so forth; and from this standpoint, therefore, election by wards is perfectly intelligible. For these reasons, my Lord, I propose that the words pointed out in my amendment should be omitted from this clause.

Before sitting down, I may mention that I have no objection to Government providing for sectional representation by means of election, provided they guarantee to the general ratepayers a minimum of half the seats.

## THE BOMBAY LAND REVENUE BILL.

*[At a meeting of the Bombay Legislative Council, held at Mahableshwar, on Thursday, the 30th May 1901, His Excellency Lord Northcote presiding, the Hon. Mr. J. Monteath moved the first reading of the Bill to amend the Land Revenue Code, 1879. In opposing it, the Hon. Mr. Gokhale spoke as follows :—]*

I am sure the Council has listened with great interest to the very lucid and comprehensive speech which the Honourable Mr. Monteath has made in introducing this Bill. In the course of the speech, the honourable member explained to us how it was that Government came to take the somewhat unusual course of summoning this meeting at this hill-station. But I fear the explanation will hardly satisfy those who are of opinion that only the greatest urgency can justify a choice of time and place which cannot but be more or less inconvenient to some of the members. My Lord, I do not think it can be said that the introduction of the present measure was a matter of such extreme urgency. The only reason which the honourable member has mentioned for bringing forward the Bill at this time and place and in its present form is, that the Honourable Mr. Lely considers that the present juncture is favourable for taking an important step forward towards the solution of the much-vexed agrarian problem in the Presidency. Now with all respect for Mr. Lely, I feel bound to say that this question is so important and so complicated that even his great authority is not sufficient to make us accept without careful examination a measure which, though apparently a small one, may not be as innocent as it looks. And the proper course for Government to adopt is, I venture to submit, to defer this kind of legislation until a careful and comprehensive enquiry has been instituted into the whole Land Revenue problem, the pressure of assessments, the extent of the indebtedness of agriculturists, the extent

to which lands have gone out of their possession, the cause of relinquishments and forfeitures, the effect of the rigidity of the State demand and the general condition and resources of the agriculturists. Last year Your Excellency, in speaking of a suggestion made by the Honourable Mr. Mehta, was pleased to state at a meeting of this Council that the Famine Commission, then about to be appointed, would among other things enquire into the land revenue policy of the Bombay Government. It is true that Sir Antony MacDonnell's Commission did make in some places a sort of enquiry into the incidence of State demand and the question of suspensions and remissions, but the enquiry was not systematic, and moreover, the report of the Commission has not yet been published, so that the public is in the dark as to the conclusion at which the Commission has arrived in these matters. Mr. MacConochie's report is also not yet out. And thus even such help as would be available to the public after the publication of their reports informing its judgment on these important questions is not at present available. My Lord, there is another reason for which I respectfully press for a general enquiry before such legislation is undertaken. All those who have any acquaintance with the land revenue administration of the Presidency feel that it was time that Government undertook a general revision of the Land Revenue Code. The grievances of the Inamdars, which my honourable friend the Chief of Ichalkaranji has been pressing on the attention of the Council for some time past the provisions about the collection of revenue, about suspensions and remissions and various other matters, all these require amendment, and I think it is not all desirable that, when such a general revision of the Code is needed, Government should bring forward, and that in such hurry, an amending Bill dealing with one point only. I submit, my Lord, that such a course is nothing better than a mere tinkering with the problem. The honourable member has made a lengthy statement on the subject of the indebtedness of the peasantry and the incidence of the State demand. I do not propose to follow him in that discussion to-day. I will say something about these matters at a later stage of the Bill, but to one statement of his I think I must

demur at once. The honourable member is of opinion that the peasantry of the Deccan was even more involved in debt before British rule began than it is to-day. I do not think that there is any warrant for that statement. It is true that Mr. Elphinstone and other authorities have stated that there was a good deal of poverty and even indebtedness among the agriculturists before the Deccan came under British rule. But the Deccan Ryots Commission, after a careful examination of the question, has, if I remember right, recorded its deliberate opinion that the extent of the agriculturalists' indebtedness has much increased since British rule began. And two causes contributed very materially to this result. One was Mr. Pringle's unfortunate settlement, which in the opinion of competent authorities simply ruined the peasantry of the Deccan, and the other was the facilities given by the British Government to the money-lending class in the matter of the recovery of debts. The evil of the wrong start given by Mr. Pringle's settlements to the peasantry, aggravated by the action of the Civil Courts and the embarrassment and the consequent helplessness of the peasantry, has gone on increasing with time. I do not think, therefore, that the British Government can fairly claim to be free from responsibility for the present extent of the ryots' indebtedness in the Deccan. The honourable member also observed that the State demand has nothing to do with the indebtedness of the agriculturists. I submit this is an unsafe position for any one to take after what several Commissions have recorded on the subject. The rigidity of the State demand and the theory of averages are in no small measure responsible for driving many agriculturists into the hands of the money-lenders, and I think this a point on which not much difference of opinion should be possible. Having made these few general observations I may now proceed to indicate very briefly, I think I need not do more than that at this stage of the Bill, my view of the measure which has just been introduced. And I may say at once that, as regards this proposal to restrict free transfers in the case of waste and forfeited lands which may be given on lease, I have an open mind. I admit that the proposal, as far as it goes, interferes with



no vested rights. I also admit that under certain conceivable circumstances such restriction may be the lesser of two evils. But have such circumstances, I ask, arisen? What evidence is there to show that they have? I listened very attentively to the honourable member's speech and I confess I have not been convinced by it. I confess I am very doubtful as to whether this proposed restriction by itself will confer any benefit on those who will be affected by it. Perhaps more light will be thrown on the point when the Bill comes to be considered by the Select Committee, and till then I will continue to have, as I have already said, an open mind on the subject. On one point, however, in this connection I think it necessary to say a word. The Bill does not state what restrictions are proposed to be imposed on free transfers. The whole thing is left to the discretion of the Collector. Now this is not what the Punjab Act does, and I mention the Punjab Act because the honourable member has mentioned it. The Punjab Act provides for three kinds of mortgages and for these the permission of revenue officers is not needed. The Punjab Act also provides for free sales between agriculturists under certain circumstances, and under the Act, therefore, an agriculturist knows what he may do of his own free choice and for what he must obtain the previous sanction of the revenue officer. The Bill before us makes no such detailed provision, but leaves everything to the unfettered discretion of the Collector, which, I think, is very unsatisfactory. As regards the proposal to give short leases, that to my mind appears to be the most objectionable feature of the Bill. I submit that absolutely no case has been made out for this departure from the established policy of granting leases in perpetuity, subject to revision of assessment every thirty years. The Statement of Objects and Reasons says that sometimes, when land requires long intervals of fallow, it entails a loss of revenue on Government, if under the perpetuity tenure such land is not taken up, while, if it is taken up by anyone, it may occasion loss to him. If this is the only reason for proposing short leases, I think the difficulty may well be got over by the simple expedient of granting leases in perpetuity and remitting the assessment

as a matter of course in years of fallow. Moreover, in the case of forfeited lands, there is no shadow of justification for substituting short leases for the present survey tenure. There is no question of fallow in the case of such lands, and there is no reason why the new occupants should have only short leases granted to them. My Lord, the perpetuity tenure is a matter of the most vital importance both in the interests of the agriculturists and for the sake of the improvement of land, and I submit it should not be lightly disturbed. What interest will the holder of a short lease have in the permanent improvement of his land? Moreover, what is there to prevent the Collector from raising the assessment every time a new lease is granted? It may be said that the Collector will ordinarily use his discretion well, but I for one would not confer such wide discretionary powers on him when lands are forfeited, when neither the ryot nor the sowcar cares to prevent the land from going back to Government. I think it is a fair presumption that the assessment is excessive in comparison with the productive capacity of the soil, and the remedy for this state of things must be sought, not in the substitution of short leases for the perpetuity tenure but in the abatement of the State demand. I earnestly trust, therefore, that Government will drop this proposal about giving land of short leases. My Lord, I do not think I need detain the Council longer. I regret the introduction of this measure at this time and place and in its present form. I fear it can do but little good. I also fear it is capable of doing a great deal of harm.

*[At a meeting of the Bombay Legislative Council held at Poona on the 23rd August 1901, Lord Northcote presiding, when the Hon. Mr. Monteath had moved the second reading of the Bill to amend the Bombay Land Revenue Code, 1879, the Hon. Mr. P. M. Mehta moved an amendment to the effect that the Bill be referred for opinion to various gentlemen and public bodies and reconsidered by the Select Committee in the light of the opinions received. The Hon. Mr. Gokhale supported the amendment in the following speech :—]*

Your Excellency,—I rise to support the amendment which has been moved by my honourable friend Mr. Mehta. My Lord, it is with a deep sense of responsibility that I do so. I have now been for fifteen years in public life—I mean such public life as we have in this country—and I can sincerely assure Your Excellency that I have never seen the public mind so profoundly agitated as over this Bill. The Honourable Mr. Monteath complained yesterday that the Bill had been widely misunderstood and misrepresented. But has the misapprehension been all on one side? Is it not a fact that Government themselves had to issue a special resolution shortly after the Bill had been introduced to correct the misapprehension of one of their own Collectors. But, my Lord, I go further and I say that the honourable mover of the Bill himself and also the Honourable Mr. Lely have shown by their speeches of yesterday that they are themselves under a great misapprehension as to what the Bill can do and what it cannot. If no misapprehension had existed in their minds, much of what they said yesterday—however true it might be as descriptive of the agrarian situation in the Presidency—would have remained unsaid as irrelevant to the discussion of the present measure. The Honourable Mr. Monteath said that the Bill was intended to bring relief to those who were only nominal occupants of their holdings, *i.e.*, whose lands were in the hands of the sowcar and who were practically his serfs. The Honourable Mr. Lely cited a number of instances of families that have been ruined by the unrestricted right of transfer under the survey tenure and whose lands are now in the hands of the Bania. As I sat yesterday listening to these instances—some of them very pathetic and all of them interesting—while I felt sincere admiration for the patient labour with which my honourable friend had collected his data, I could not help saying to myself—"All this is entirely beside the point." If the Bill could really bring relief to those who are practically the serfs of their money-lenders, I admit that, whatever there might be to be said against the measure, there would also be a good deal to be urged in its favour. But, my Lord, it is absolutely impossible that the Bill can do any-

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thing of the kind. What is it that is proposed to be done under the Bill? Its principal provision, which has exercised the public mind so much, is that Government may re-grant forfeited lands without the power of free alienation. Government intend to re-grant such lands as far as possible to old occupants. This is not in the Bill itself, but I will assume for my present argument that they will do so. Now let the Council mark what is the true scope and character of this provision. Before a holding can be brought under the new tenure, it must first be forfeited which means that the assessment in respect of it must be withheld. The Bill will be simply inoperative in the case of those lands the assessment of which is paid. Now under the Land Revenue Code the assessment can be paid not only by the occupant in whose name the holding stands, but by any one interested in the holding, including the mortgage, *i.e.*, the sowcar, and under the present Bill, Government are bound to give at least 15 days' notice before forfeiture, so that any one who is interested in the holding may pay the assessment. The sowcar, therefore, can pay the assessment when the occupant does not, and when this happens the Bill will be absolutely powerless to help the ryot, however much he may be the serf of his money-lender. Now, my Lord, whatever else the sowcars may be, they certainly are not simpletons, and it is inconceivable that they will ever allow any land which is mortgaged to them to be forfeited when they can prevent the forfeiture by simply paying the assessment. Even under existing arrangements, the assessment is in most cases paid by or realized from them when the occupant is unable to pay it, though it is true that at present they try to secure, if possible, remissions in the name of the occupant. When the present Bill becomes law they will, no doubt, take good care to pay the assessment in all cases, but that only means that the collection of land revenue will be more stringent than at present—it will bring no relief whatever to the ryot who is the sowcar's serf. My Lord, "in vain the net is spread in the sight of any bird." A sowcar here and a sowcar there may perhaps be caught napping—where, for instance, he is gone on a pilgrimage, or is a minor and has no one to look after his interest,

but such instances will be extremely few. My honourable friend, Mr. Desai, has perhaps seen this point, and that was, I think, why he regretted yesterday the provision contained in this Bill that at least fifteen days' public notice should be given before forfeiture. He would like to give no notice whatever and thereby he hopes to be able to take a larger number of sowcars unawares. Now, my Lord, whatever results Mr. Desai's method in this particular might achieve, that method is not, I submit, consistent with our notions of the dignity of the British Government or the sense of justice and fair play which we have been accustomed to recognize as forming part of its character. And I am sure the British Government will never come to such a pass unless men like my honourable friend have more to do with its legislation than they have at present. But I will ask Mr. Desai this:—Supposing you are able to catch a few sowcars this way, do you think that thereby you will be able to free the ryots concerned from their liabilities? When the lands of these ryots are forfeited and are re-granted to them under the new tenure, the sowcars will, no doubt, not be able to get the lands back into their own hands. But the personal liability of the ryots for the old debts remains in full force and, therefore, the moment the harvest is gathered and the crops brought home, the sowcar can seize them and thus he will be able to exploit their labour as much as ever. And that is really all that he does even at present as pointed out by the Honourable Mr. Aston. He does not till the lands himself. All he cares for is to exploit the ryot's labour. In the first place, therefore, no sowcars will allow the lands in their possession to be forfeited, which means that this Bill will be inoperative, and, secondly, even if a few sowcars are caught napping and the lands in their possession are forfeited and re-granted to the old occupants under the new tenure, the personal liability of these ryots for their old debts will remain in full force, and thus the sowcars will be able to exploit their labour as much as ever. Even if these ryots are taken from their old holdings and put on new lands, and Government go so far as to pay them a bounty for cultivating lands which otherwise would re-

main uncultivated, the crops on these new lands will be liable to be attached, just the same as the crops raised on the old lands. Unless, therefore, the Civil Courts are closed to the sowcars and it is enacted that their contracts, whatever their nature, are all invalid and cannot be enforced, you cannot get a ryot, who has once got into a sowcar's clutches, out of those clutches till the debt is paid off, and the present Bill can bring him absolutely no relief. My Lord, the Honourable Mr. Monteath threw down to me yesterday a challenge with reference to the drafting of a certain section. Now challenges, as Burke says in one place, are rather serious things. But, for once, I will set aside Burke's advice and follow the example of my honourable friend, and I will make him this offer:—If he will satisfy me—and I hope I am not quite unreasonable—If he will satisfy me that this Bill will bring any the least relief to those ryots whose lands are already in the hands of the sowcars, I will at once abandon all further opposition to this Bill, I will vote for the second reading, and I shall even feel happy when I am pilloried in the columns of the press for my change of opinion. My Lord, I repeat, the Bill can bring no relief to the ryot who is indebted. And is it for those who are themselves under a misapprehension in so important a particular to complain of the misapprehension of others? But I have something more to say on this question of misapprehension and I will speak freely to-day, and even bluntly—for, on an occasion of such gravity, blunt speech is a duty, however much it might be liable to be misconstrued. I admit, my Lord—I have admitted in private conversation and I make the admission openly in this Council to-day—that there has been a certain amount of excited writing in the columns of the press on the subject of this Bill. But may I ask what steps Government took to prevent or check a misapprehension of their intentions beyond the Resolution of June 18th, which was intended simply to recall the steps taken by one of their own Collectors? I feel bound to say that in this matter everything which should have been done was left undone, and whatever should not have been done has been done. I was once given to understand that the Press Committees, about which so much was said.

at one time, had been established not so much for keeping a watch on the conduct of newspapers as for the purpose of noting the grievances ventilated in their columns and correcting misapprehensions wherever such correction was necessary. Was this agency of the Press Committees used in the present instance to prevent or remove misapprehensions? Did Collectors or such other officers arrange anywhere to meet native gentlemen of education and influence and talk the matter over with them with the object of dissipating their fears? Was any attempt made to explain to the ryots the true scope and character of the present Bill? But whilst none of these things were done, mark what the Government did do. At a time when the agriculturists of the Presidency had just passed through a period of the greatest privation and suffering, when Government has already done so much for them and so much more had been promised which had aroused in them feelings of deep gratitude, when, in fact, the relations between the two races were better than they have ever been for years past and were every day growing more cordial, when Your Excellency had won all hearts by your own profound sympathy—and may I add that of the noble lady who is your partner in life—with the poor in their distress, this bomb was suddenly thrown into our midst; and because people got scared and began to run about wildly—some shouting perhaps more excitedly than was necessary—the honourable member turns sharply on them and says:—“Oh, it was only a harmless explosive, and you had no business to get so frightened.” Then, again, look at the manner in which the Bill is being rushed through the Council. It was first published on 18th May, and it came on for first reading on 30th May, almost before anyone had had time to grasp its true meaning and character. Even the statutory provision, requiring the publication of the Bill fifteen days before its first reading, was not complied with, and though Your Excellency, by suspending the standing orders, legalised what otherwise would have been illegal, that did not increase the time allowed to the members of this Council for studying the measure. The first meeting of the Select Committee was held the very next day after the meeting of the Council, *i.e.*,

on 31st May, and the second meeting, which was also the last, was held on the 24th June, *i.e.*, before a single memorial from public bodies or anyone else had reached the Council. The deliberations of the Select Committee were thus closed before the public had had any opportunity to submit a single suggestion or a single criticism to that Committee. Now, my Lord, I do not subscribe to the doctrine that the official classes alone understand what is in our interests and what is not. And, I think, the public are entitled at least to be heard before a Select Committee appointed by the Council makes up its mind as to what it shall recommend. In the present instance, however, all the numerous petitions that have poured in upon the Council have been simply brushed aside. It is true that a few of them were considered by Government in their executive capacity, and a reply, too, was given to one of them. But that is not the same thing as this Council considering them; the Select Committee alone can act on behalf of the Council, and so far, therefore, as this Council is concerned, the memorials against the Bill have been merely so much waste paper. These petitions—the huge mass of papers—were laid on the table only the day before yesterday, and it was physically impossible for any member of this Council to go through them before the honourable member rose to move the second reading of the Bill. Can any one seriously maintain that there is not a single suggestion, a single hint, in all these papers which this Council might usefully consider? I submit, my Lord, this extreme precipitation and this indifference to public petitions is as responsible for any misapprehension of the intentions of Government as anything else. My honourable friend, Mr. Chunilal, told us yesterday that agriculturists who were in the beginning favourable to the Bill are now opposing it owing to the misrepresentations of certain people. And he mentioned how he had a talk with two agriculturists who are heavily indebted to sowcars, and who welcomed the measure as beneficial when he explained its true nature to them. Now, I ask my honourable friend, what did he tell the two agriculturists? Did he tell them that the Bill would free them from the power of the sowcar;—that their land would get out of his hands after this Bill was passed?



If he said this to them, I say he has misrepresented the Bill—I do not say consciously—he has misrepresented the Bill to them. How can this Bill help any one who is already in the hands of sowcars? I would request my honourable friend, when he goes back to Broach, to have another talk with those agriculturists, and I would ask him to tell them that, so far as ryots in that condition were concerned, the Bill was not capable of bringing any relief. I would then like to know if these two agriculturists would still regard the Bill as likely to prove beneficial to them. My Lord, I am amazed that members should talk of misrepresentation and misapprehension, who do not yet seem to realize what this Bill will do and what it cannot do. I will try to make it clear to this Council that this Bill cannot confer the least benefit on agriculturists; but that, on the other hand, it will do large numbers of them great harm. But, before I deal with that question, there are one or two other points on which I wish to say a word. I have with regret seen it suggested by some of the official supporters of the measure that the educated classes are not really in touch with and do not understand the true wishes and feelings of the great body of agriculturists in this matter, and that their opinion on this Bill is not entitled to any weight. Such a suggestion, I submit with due deference, is inaccurate as a statement of fact and questionable in point of taste. How would these gentlemen like it, if we turned round and said—what do these Collectors and Assistant Collectors really understand of the true feelings of villagers? When they happen to go to a village, in the course of their official duties, what actually takes place is this: they pitch their tent at some distance from the place, unless there is a traveller's bungalow anywhere near, make a few inquiries of the village or taluka officials that are always in attendance, and visit, perhaps, a few spots in the neighbourhood. Their knowledge of the vernaculars no more qualifies them to enter into a free conversation with the villagers than does the English of Johnson and Macaulay which we study enable us to understand without difficulty the vigorous language of a British or Irish soldier. Meanwhile, it is the interest of the village officials that as few complaints

should reach these officers as possible, and that they should go away well pleased, and the termination of the visit of inspection is regarded with feelings of genuine relief. I think such a way of putting the matter has in it just that amount of truth which makes the whole description look plausible. But I feel bound to say it is grossly unfair to a large number of very deserving and very conscientious officers of Government. The truth, my Lord, is that the English officials in this country understand the ryot from one standpoint, and we understand him from another, and between the two our knowledge of him is certainly not the less deep or instinctive or accurate. Then, again, it has been stated that only the sowcars and their champions are opposing this Bill, and, to our great regret and astonishment, we find the Secretary of State for India declaring in Parliament that it is all a money-lending agitation. Now all I can say is, in this matter, that there cannot be a more complete or a more grievous misapprehension of the true facts of the situation, and the circumstance that the Secretary of State should have lent the weight of his authority to this misapprehension shows to my mind how entirely out of touch those who are responsible for advising him are with the real sentiments of the agricultural population. My Lord, the agitation against the Bill is emphatically not a money-lending agitation. Why should it be thought that men like the Honourable Mr. Mehta would ever associate themselves with an agitation started in the interest of money-lenders and against those of the ryots? We are not money-lenders ourselves, and there is no earthly reason why we should champion the interests of the money-lender more than those of the ryot, even if the instinctive sympathy which all human beings feel for the weaker party in any struggle were to be withheld by us from the poor ryot. And speaking for myself, if Your Excellency will pardon the egotism of a slight personal reference, I will say this: that it was my privilege to receive my lessons in Indian Economics and Indian Finance at the feet of the late Mr. Justice Ranade, who, as Your Excellency so truly observed at the Bombay Memorial Meeting, was always a friend of the poor ryot, and who, it is well known, greatly

interested himself in the passing and the subsequent successful administration of the Deccan Agriculturists' Relief Act. It is not, therefore, possible, unless I am prepared to prove false to the teachings of my departed master, that in any agrarian discussion I should range myself against the interest of the ryot or be swayed by a special feeling of partiality for the money-lender. No, my Lord, it is because I believe, and very firmly believe, that this Bill will prove disastrous to the best interest of the agriculturists and not because it is likely to do any harm to the money-lender—which I do not think it really will, as I will show later on—that I deem it to be my duty to resist the passing of this measure to the utmost of my power. If it is true, as I have heard it alleged, that the agriculturists themselves do not dislike this Bill, may I ask how it is that, while the petitions against the Bill have poured in upon the Council in a manner perfectly unprecedented—and many of them are signed by large number of agriculturists—there is not a single petition from any agriculturist in favour of the Bill? If it be said that the agriculturists are too ignorant to formally submit an expression of their views to Government or that they have not yet had time to do so, my answer is that the first contention cannot hold good in view of the numerous petitions purporting to be in favour of the Khoti Bill submitted by khoti tenants in the Ratnagiri District during the last three or four years; and, as regards the second contention, it only adds strength to the eloquent appeal which my Honourable friend, Mr. Mehta, has addressed to this Council to postpone this measure for six months. This will give the agriculturists time to petition in favour of the Bill, and then the position of Government will be immensely strengthened, for the ground from under the feet of those who are opposed to the Bill will be cut. My Lord, to my mind it is the most natural thing in the world that the agriculturists of the Presidency should have received this Bill with feelings of consternation and dismay. How could it be otherwise when we consider the nature of the Bill, the time selected for its introduction and the feelings and prepossessions of our agricultural community? I can only regard it as an

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instance of the malignity of fates that at a time when Government had done so much to save the agriculturists from actual starvation and when they had been encouraged to expect specially liberal treatment in the matter of suspensions and remissions, and when in consequence they were feeling profoundly thankful to Government, this Bill should have come upon the community like a bolt from the blue, undoing, so to say, in a moment the splendid work of months, if not of years, and substituting distrust and alarm, in place of growing attachment and warm gratitude. From a return laid on the table yesterday, we find that in May last, when the Bill was introduced, the amount of arrears in the Presidency was about  $2\frac{1}{2}$  crores, of which Government had already decided to suspend or remit  $1\frac{1}{2}$  crores. Seeing that these arrears were practically for two famine years, and seeing how extensive had been the crop failure on both the occasions, I do not think the arrears were at all excessive, especially when we bear in mind that in many places the intended relief had not been definitely announced to the particular individuals concerned and, therefore, many more persons were in a state of expectancy than would have been the case if the requisite announcement had been previously made. The extent to which the Bill has frightened the people may be gauged from the fact that out of these arrears 45 lakhs have been already paid, and probably more would have been realised but for the announcement of Government made in June that no forfeitures would be made before the passing of the Bill, and that, even after the Bill became law reasonable time would be given to the occupants to pay up before forfeitures would be ordered. My Lord, the ordinary Indian peasant is so tenaciously attached to his proprietary rights over his holding, and he finds the full enjoyment of these rights so useful in actual life, that there is nothing he will not do, if it is in his power to ward off what he regards as a direct or indirect attack on those rights. And is it difficult to understand that a proposal to take away from him his power of alienating, when necessary, his holding should appear to him to be a most serious encroachment on his rights? When the Survey Act of 1865 was passed, it was claimed

on behalf of Government that the conferring of the survey tenure on those who have been *upari* tenants previously practically added to the wealth of the agricultural community nearly £35,000,000 sterling. If this was not a mere idle assertion, it follows that, when it is proposed to-day to withdraw from a portion of the land of the Presidency the power of free transfer, it is equivalent to withdrawing a portion of the wealth that was claimed to have been added to it in 1805, and that has since been enjoyed by the survey occupants. The agriculturist feels that his power of transfer enables him to raise a loan in times of difficulty; when the difficulty passes away he, in many instances, tries his best to repay the loan; but the struggle is very hard and he often finds redemption beyond his power. All the same, he values his power of transfer and will not relinquish it if he can. Suppose Government were to declare to-morrow that Government Securities were not transferable and that the holders were entitled only to receive interest from Government. How many of us will like such a restriction? I only mention this illustration to show how, human nature being what it is, no one would like to part with a power which means a command of resources in times of need. Whether such unwillingness on the part of the ryot to part with his power of free transfer ought to deter Government from a course which they think to be necessary in his interests is another question. My present point is that it is not in the nature of things possible that the agriculturists could like this Bill—except, perhaps, those among them who under a misapprehension may imagine that it will enable them to get rid of their debts to the sowcar. I have so far tried to show to the Council that, whatever value Government may attach to the present measure as likely to ameliorate the condition of the ryots, the opposition to it is a genuine and spontaneous opposition, and is strongest among those for whose benefit the Bill is avowedly intended, namely, the agriculturists themselves. I will now come to the question whether the Bill is really likely to do any good to anybody. My Lord, I am strongly of opinion that, so far as the agriculturists of the Presidency are concerned, it cannot do them the least good and that it will do large

numbers of them great injury. Our agriculturists may be divided into four classes :—(1) Those who are yet free or virtually free from debt ; I believe these form a small proportion of the total number ; (2) those who have already got into debt, but not to such an extent as to be hopelessly involved and who are making honest efforts to keep their heads above water—these I believe constitute a large class ; (3) those who are so heavily indebted as to be hopelessly involved ; these also constitute a large class and they are, I believe, at present practically serfs in the lands of sowcars ; (4) and, lastly, those whose lands are so poor and over-assessed that the cost of cultivation and the Government assessment eat up the whole gross produce, if indeed it suffices for the purpose, and who, therefore, are unable even now to raise any money on the security of their lands. This class is, like the first, numerically a small one. Let us now consider how the Bill will affect the interests of each one of these four different classes. As regards the first class, it is obvious that those agriculturists do not need Government intervention. They have so far used their credit well and Government themselves have often declared that they have no desire to interfere with the freedom of action of these men. But if the Bill is passed, this class will be very prejudicially affected by it in one respect. These men are, at present like other agriculturists, entitled to the relief of suspensions and remissions in times of famine. But it has been stated on behalf of Government that the proposed legislation will enable Government to determine without difficulty who should get the benefit of suspensions and remissions and who should not : a man's readiness to come under the tenure being accepted as a test of his deserving the required relief. And as men of this class will never care to part with their power of free transfer for the sake of a year's assessment, it is clear that their position will become worse when the Bill is passed, in that they will not practically get the benefit of suspensions and remissions to which they are at present entitled. My Lord, I submit it is very hard that a class which has deserved so well of the Government by reason of the judicious use that it has made so far of its credit should thus be marked for injury. The assessment

of Government, as is well known, is based in the Deccan at any rate on an average of seasons, the standard being that in three years one is good, one bad and one indifferent. When, however, there is a succession of bad seasons, as has been the case during the last five or six years, Government are morally bound to remit a portion of the assessment as a matter of course. And it is unfair to make this relief dependent upon the applicant accepting a change in tenure which he does not like. As regards the second class, that is, those who have already got into debt, but who are not yet hopelessly involved, their position, too, will be made much worse by this legislation. A case within my own personal experience will illustrate what I say. Government have appointed me to administer the estate of a minor in Poona. My ward's father, a sardar of the Deccan, who is used to lend money to agriculturists on the security of their lands, had advanced about 7 years ago a sum of Rs. 900 at 10 per cent. to one man, whose holding will fetch, if sold in the market, about Rs. 2,000 in ordinary times. This holding has to pay an assessment of Rs. 108, and deducting that, it brings to the holder a net income of about Rs. 150, out of which, however, he has to pay us Rs. 90 a year as interest. Now for the last five years the seasons have been continuously unfavourable, and this man has not been able to pay us anything on account of interest. He managed to pay the Government assessment, somehow or other, till two or three years ago, and since then he has been in arrears. Now till June last this man was under the impression that his arrears would be remitted, when all of a sudden he received a notice that, unless he paid up, his holding would be forfeited. The man at once came to me in great fright and asked me to advance the amount required to pay the arrears. I asked him how I could advance any more money to him when he had not paid us the interest for the last five years. The man, however, begged hard. He said he would give me a new bond for the original Rs. 900 *plus* Rs. 500—the amount of interest unpaid—*plus* the two hundred and odd rupees required for paying up Government arrears, or altogether for a sum of nearly Rs. 1,700. As this sum was to bear the

same interest as the original amount, *i.e.*, 10 per cent., the man's proposal practically meant his utter ruin, as he would, after the new transaction, have to pay Rs. 170 a year as interest with an income of only about Rs. 150. Fortunately, the last Government Resolution on this subject has come to his rescue, and for the present, at any rate, I believe, he will have no more trouble. Now this is a typical and not an insolated case, and it will illustrate how agriculturists of the second class mentioned above will be harmed by this Bill. These men will not accept the new tenure, if they can help it, and will go on adding to their debts in bad times in order to pay the Government assessment and even if in a few stray cases they are inclined to take advantage of the new tenure, the sowcars who have already advanced to them money will not, as I have already showed, allow the land to be forfeited, but will pay the assessment themselves and thus add to the liabilities of the occupants. The third class is of those who are hopelessly involved and whose lands are at present in the hands of the sowcars. I have already shown that this class will not be touched by this Bill at all, though some members are under a misapprehension that it will bring them relief, and I do not think I need say anything more about these men now. Finally, as regards that class of agriculturists who cannot raise any money on the security of their lands, even at present, by reason of the poor character of the soil and the heaviness of Government assessment, why, my Lord, these lands are practically inalienable even now, since no money can be raised on their security, and so I do not see how the position of these men will be improved by the passing of this Bill. Thus, then, of the four classes into which the agriculturists of the Presidency may be divided, and, it will be admitted, my division is exhaustive—the first two classes, *i.e.*, just those who are entitled to the fullest sympathy and protection of Government, will be very prejudicially affected by the Bill. The third class, which requires the special assistance of Government, if it is to be helped out of its present hopeless condition, and if the question of agricultural indebtedness is to be really faced, will not virtually be touched by this Bill at all;



while the position of the last class will remain just what it is at present—only they will feel that their status in life has been lowered. The Bill thus will do absolutely no good, and must, on the other hand, do a great deal of harm to the agricultural community. Then, again, the apprehensions of sowcars have now been aroused, and if the Bill is passed into law, a considerable number of them will arm themselves with decrees and compel the sale of the occupancies at present mortgaged to them, which they will try to buy themselves. And thus the expropriation of the peasantry, so far from being prevented, will, in fact, actually be hastened by this Bill. As regards the sowcars themselves, I think it is quite clear that the proposed measure cannot really injure their interests except, perhaps, in so far that where the new tenure comes to be substituted—which, I believe, will now be on an exceedingly small area—they will not be able to engage in loan transactions to the same extent as elsewhere. But this really is no loss as in course of time an adjustment is bound to take place, and these men will find other openings for investment. The only party whose position is improved by the Bill are the Government themselves. I do not mean to say that the framers of the Bill have this object in view. But that cannot alter the fact that this will be the result of the proposed legislation. In the first place, as my honourable friend, Mr. Mehta, has already pointed out, the Bill constitutes an emphatic assertion of the theory of State landlordism, and this is bound to have far-reaching consequences. The Bill means a nationalization of forfeited lands, which alters completely the character of the land tenure in the Presidency. The Honourable Mr. Monteath expressed his surprise yesterday that I should call the Government scheme a measure for the nationalization of forfeited lands. I do not know in what sense the honourable member understands the word nationalization, but if he takes it in the sense in which political economists use the term, I do say, and I say it emphatically, that the Bill constitutes a scheme for the nationalization of forfeited lands. The honourable member will remember that the Relief Act Commission of 1891 discussed in their report the question whether Government

might not buy lands themselves instead of letting the sowcars secure them and then re-grant them to agriculturists as tenants of State without, of course, the power of alienation. They pronounced the proposal a good one if it could be carried out; but they considered the cost would be prohibitive and there were other difficulties also in the way. What they thus considered was unattainable by reason of its excessive cost, Government now propose to achieve by foregoing merely a year's assessment when the average price of land according to the Honourable Mr. Monteath's own testimony is twenty-five times the assessment. And what is this, my Lord, but nationalization of land for a most trifling amount? Then, my Lord, the wide discretionary powers, which Government propose to take under the Bill, will enable them whenever they like—though this is not desired at present—to grant short leases or take land for public purposes without any compensation, or allot it to whomsoever they please. This, my Lord, is a real danger, because the tendency of revenue officers generally is to put the widest possible interpretation on the powers of Government for the purpose of enhancing the Government revenue in every possible way. Take, for instance, the question of building fines and assessments; who would have thought before 1865, when there were neither building fines nor special assessments for building sites, that in a few years Government would advance their claims from point to point in such a manner as to end by claiming for themselves the entire non-agricultural market value of unalienated land? It has been stated that Government intend the Bill to be in the nature of an experiment. But, I think, there are grave objections to Government embarking upon an experiment which, it is quite clear, is bound to fail and which will bring needless discredit on the policy of restricting the power of alienation, which, under certain circumstances may prove useful. If Government really want to make an experiment which has reasonable chances of success, let them select at first a small area, take over in that area the debts of the ryots from the sowcars to themselves by effecting a settlement of some sort, start agricultural banks to provide for the ordinary needs of the agriculturists who are thus taken out of the hands of the

sowcars, and then declare their lands inalienable without their sanction. This would be facing the question in the only manner in which it ought to be faced, and many of our countrymen will support Government in such a policy. Government will then be incurring some risk, and will, therefore, so to say, earn a right to make an experiment in this matter. What the ryot needs is money, or, what is nearly the same thing, cheap money. And if you do not reduce what he pays at present to the sowcar or do not advance anything from the coffers of Government for helping him, how can you give any relief to the ryot? It is, I submit, not possible to improve the position of the agriculturist by a mere manipulation of the legislative machine.

My Lord, I have said what I had to say about the Bill. I will now say a few words in reply to certain remarks which have fallen from the Honourable Mr. Monteath and the Honourable Mr. Lely in the course of this debate. The Honourable Mr. Monteath, if he will pardon my saying so, spoke with somewhat unnecessary warmth about certain observations contained in my minute of dissent. The honourable member told us that I was not correct in saying that "in no other province of British India has the executive such wide discretionary powers about waste, forfeited or relinquished lands, as the Bombay Government are seeking to acquire by means of this Bill," and he went on to say that in every other province the executive already possessed such powers and that Bombay alone was behind them in this respect. Now, my Lord, I do not know where the honourable member has obtained his law from? The statement in the minute of dissent was not made without a careful inquiry, and I claim that I am right in the view I have taken, and the honourable member is quite mistaken. I repeat that in no other province has the executive got the power of transferring land from one kind of tenure to another in the exercise of its own discretion. Waste lands to which the survey settlement has been extended, as also forfeited and relinquished lands are, at present, in this Presidency under the survey tenure, *i.e.*, they can be granted to occupants only in perpetuity and

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with the full power of alienation. Under this Bill Government seek to obtain the power to change the tenure of these lands whenever and wherever they please. If the honourable member will be so good as to show me his authority for his statement, I shall be glad to modify my view of the matter. Then again, my Lord, I was amazed yesterday to hear what he said about the present law as to the disposal of forfeited lands. The minute of dissent states that at present forfeited lands are sold to the highest bidder, except in certain exceptional cases, such as a combination not to buy the land at a fair price. And when these sales take place the proceeds, after deducting the arrears of land revenue and the expenses of sale, are credited to the defaulting occupant. It is only in those exceptional cases where sales cannot take place for certain specified reasons, that the Collector has power to dispose of the land in any other way—of course, without changing the character of the tenure under which it is held. The honourable member said yesterday that, whatever might be the present practice, this was not the present law on the subject. Now, my Lord, it is almost presumptuous on my part to pit myself in this matter against the honourable member, who is well known for his great abilities, who has been a Revenue Officer all his life, and who presides at present over the Revenue Department of the Presidency. Still, my authority for my statement is unimpeachable. Here I hold in my hand the Land Revenue Code of the Presidency, and I make bold to say that a reference to the provisions contained in it, on the subject of the disposal of forfeited lands and especially to Rule 60, will show that my view of the matter is absolutely correct.

My honourable friend also challenged me yesterday to draft a section—and he offered to give me a certain amount of time to do it in—so as to limit the discretionary powers of Government, as we desire to limit them, and yet to provide for all those cases for which he says, provision is necessary. Now, in the first place, I think this is not a fair challenge to throw down to me. Are the drafting resources at the disposal of Government so inadequate to the

work of framing a small section such as would meet all requirements? Cannot the Advocate-General who occupies so high a position in the Bombay Bar or the Legal Remembrancer, who is already recognized to be one of the ablest Civilian Judges in the Presidency, help the honourable member in this little matter, that he should ask me, who am no lawyer and have only my own plain common-sense to guide me, to do this work? However, my Lord, as the honourable member has thrown down the challenge I make bold to accept it and I venture to assure him that with the assistance of my lawyer friends, I will produce such a section as he suggests if he will give me the necessary time that he has already promised. Surely it cannot be difficult to frame a section which provides that, when land is given for a temporary non-agricultural purpose or is given to wild tribes for agricultural purposes, the perpetuity tenure should not apply. Now, that I have accepted his challenge, I hope the honourable member will not proceed further with the Bill to-day. The Honourable Mr. Lely, in the course of his remarks, regretted that men of education and of undoubted patriotism should confine themselves to the work of mere criticism and should oppose so small a measure framed in the interests of their poorer brethren. He seemed to think that our energies would be much better employed if we gave up this negative work of mere criticism and came forward to initiate measures of reform. Now, my Lord, in the first place, it should be remembered that in all countries with strong centralized Governments the work of initiating important measures naturally devolves upon the Government. Moreover, what opportunities have we for initiating important measures? Put men like the late Mr. Ranade or my honourable friend Mr. Mehta on your Executive Councils. Place them in a situation of real power and responsibility, and then we undertake to show that we can initiate measures as well as anyone else. It is because you have power to carry out your ideas and we have not, that we appear to you to be engaged in unpractical or academic discussions while you claim for your efforts the character of practical or constructive work. We are not, to use the words which Lord Curzon once

applied to the Liberals in speaking of the Cretan question, "so empty of suggestion and full only of denunciation," as some people imagine. But perhaps it is not the part of wisdom to talk of what cannot be. Let not the Council misunderstand me. I say this in no spirit of discontent, but merely to repel a charge which we think we do not deserve. I freely recognize—what the late Mr. Ranade so often used to impress upon our minds—that though there may be less field for personal ambition and less scope for the display of individual talent under the present regime, there is ample compensation and more than that in the blessings of peace and of order well established, in the larger possibilities of enlightenment and progress secured to the mass of our countrymen, in the higher ideals of civic and national life to which we have been introduced and in the rousing of the moral energies of our people.

And now I come to the concluding portion of my speech. I earnestly implore the Council to accept the amendment of my honourable friend, if not in the form in which it is proposed, in some other form which may be more acceptable. And I base my request on two grounds. In the first place this voluminous mass of petitions has not been so much as looked at by any one on behalf of the Council. I have already pointed out that the Select Committee's deliberations had come to a close before a single one of these petitions had reached the Council. Of what use, my Lord, is it for the people to petition, if those to whom the petitions are addressed will not even care to look at them? It was not thus that the Honourable Sir Charles Ollivant dealt with the numerous petitions against the District Municipal Bill. It is not my object, my Lord, to praise one member of the Government at the expense of another—that would be an unworthy artifice—but I mention this because it illustrates my idea of how a measure should be considered by Select Committee. Sir Charles Ollivant used to go himself through the petitions, as far as possible, and, if he had no time, he asked us to go through them and bring the principal points to his notice. He was always ready to enter into our feelings, to accept whatever suggestions

appeared in the course of the discussion to be good and always ready to meet us at least half-way. He was not wanting in strength. The iron hand, we felt, was always there ; but he ever took care to put on the velvet glove. I submit it is not right to strike us with the mailed fist after the manner of a certain high potentate. My second ground for asking for a postponement is that the reason which was mentioned by the Honourable Mr. Monteath at Mahableshwar for rushing the Bill through the Council no longer exists. The honourable member told us at Mahableshwar that it was intended to make the new experiment on a large scale, and it was necessary to pass the Bill before the beginning of the new Revenue year, *i.e.*, the 1st of August last. Well, the 1st of August is already past ; and as regards the area on which the experiment can now be tried, the resolution recently issued by Government directing that no forfeitures should take place for one year, practically settles that question. You will get only an exceedingly small area—if you get any at all—for trying your experiment on. I submit, therefore, that there is now absolutely no justification for proceeding with this measure so precipitately. My Lord, the late Mr. Ranade, in a lecture which he delivered some years ago at the Deccan College, on “some Aspects of Indian Political Economy,” referred to the curious phenomenon of Anglo-Indian Administrators, who are strong Conservatives in English politics, developing radical and even socialistic tendencies in dealing with certain aspects of Indian Administration. I asked a high officer of Government for an explanation of this phenomenon a few days ago. He said : It is because we are able to take a more impartial view of things here than in England, having no personal interests to think of. I think, my Lord, this explanation is true as far as it goes, but it does not state the whole truth. I think it is also because too much power has produced a sense of irresponsibility. Does any one imagine that a measure of such far-reaching tendencies would have been introduced in England and rushed through Parliament with so much precipitation in spite of the unanimous protests of the people ? And I submit that

the deliberation which becomes in England a duty of Government, owing to the power of the electors, should also be recognized by the British Government in India as a duty under a sense of self-restraint. My Lord, what is the position here to-day? We the elected members of this Council are absolutely unanimous in resisting this Bill, and though our voting power is not large enough under the constitution of this Council to prevent the passing of any measure which Government are determined to carry, we represent, when we are unanimous, a moral force which it is not wise to ignore. For better for worse, you have introduced the elective element into your Councils, and according to your own English ideas, you must now accept us as speaking not for ourselves individually but in the name of those who have sent us here. And if a standing majority has been secured to Government under the constitution, its real purpose, I take it, is not to enable Government to ride roughshod over our unanimous expression of opinion, but to prevent the non-official members from combining and overthrowing anything that Government may have done. This, I submit, is the only true interpretation of the present constitution of this Council. My Lord, the Government with their superiority in votes can pass this measure here to-day, but let them remember the words of the poet :—

Oh 'tis excellent to have a giant's strength,  
But 'tis tyrannous to use it like a giant.

Nothing can fill us with greater sadness than this spectacle of Government trying to carry a measure in such haste and without proper deliberation—a measure that is bitterly resented by the agriculturists, that has roused the apprehensions of the sowcars and that is condemned by the educated classes with one voice and in no uncertain terms. Is it fair, is it wise that Government should reduce us, the elected members, to a position of such utter helplessness that our united appeal should not secure even a brief postponement for a measure of such great importance? My Lord, I appeal to Your Excellency personally in the matter. Your Excellency has come fresh from a land where political opponents receive greater consideration



and better care is taken of the several conflicting interests that must be harmonized in every important legislative measure. Your Excellency is free from what the Honourable Sir Charles Ollivant called the other day "deteriorating limitations." I appeal to Your Excellency to pause—pause before it is too late, pause in spite of anything Your Excellency might have said yesterday. During the brief time Your Excellency has been at the head of the Administration in this Presidency, you have taught us to look up to you, not only with respect—*that* is due to all Governors—but also with confidence and, if I be permitted to say so, with feelings of deep attachment. The people of the Presidency look up to Your Excellency, even at this last moment, to come to their assistance, and I fervently hope and trust that they will not look in vain.

*[When the amendment was declared lost, the Hon. Mr. Mehta, the Hon. Mr. Khare, the Hon. Mr. Parekh, and the Hon. Sir Balchandra Krishna withdrew from the Council Hall. Before following them, the Hon. Mr. Gokhale spoke as follows :—]*

Your Excellency,—May I offer a word of personal explanation? In the remarks which I made this afternoon I did not like to say anything as to the course I should take if the amendment were lost. I think it my duty, my Lord, now to say that I must follow the course which has been taken by some of my honourable colleagues. I take this course with the greatest reluctance and regret. I mean no disrespect to Your Excellency or your colleagues personally. It is only an overwhelming sense of duty which urges me to take this step because I am not prepared to accept even the remote responsibility of associating myself with this measure which my further presence here would imply.

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## FEMALE EDUCATION IN INDIA.

*[Paper read at the Educational Congress held in connection with the Women's Section (Education) of the Victorian Era Exhibition, 1897, by Professor G. K. Gokhale.]*

Standing here as I do, my mind cannot help being filled with thoughts in which regret and gratitude and hope are all strangely blended together. I stand before you as a representative of the only part of this great Empire which is far behind the rest in its enjoyment of the blessings of what may be called modern civilisation. And yet we were the first to emerge from barbarism, and my nation was not only great, but was the greatest of all on the face of the earth, long before any one had heard anything of the oldest states of the West. Time, however, which brings ripeness to the raw fruit brings also decay to the ripe one, and the country which was once the cradle and long the home of a noble religion, a noble philosophy, and science and art of every kind, is at the present day steeped in ignorance and superstition and all the moral helplessness which comes of such darkness.

But while this reflection fills me with what you will all admit to be a natural feeling of sadness, it is coupled with brighter thoughts, for they are the thoughts of gratitude and hope. Among the many achievements and triumphs of this Victorian Era, which you are celebrating with such legitimate satisfaction, there is, to my mind, nothing comparable to the work—the thrice blessed work—of regenerating ancient India which you have on numerous occasions pledged yourselves to achieve, and which has already been so worthily begun. The situation is, in many respects, perfectly unique in the history of the world. A great Eastern civilisation, stationary for many centuries, is being once again galvanised into life by reason of its coming in contact with a younger and much more vigorous civilisation of the West. The

retention of all that is great and noble in our national life, as it has come down to us from the past, and the fullest absorption of what is great and noble in the life of the West, as revealed to us by our connection with England—this is now the work which has to be accomplished before we can once more hold our head high as a nation. How far such an ideal union of the different elements constituting the two civilisations is possible time alone will show. The task is one of extreme difficulty, but when it is achieved, if it can be achieved at all, the reward will be correspondingly great.

A wide diffusion of female education in all its branches is a factor of the highest value to the true well-being of every nation. In India it assumes additional importance by reason of the bondage of caste and custom which tries to keep us tied down to certain fixed ways of life and fixed modes of thought, and which so often cripples all efforts at the most elementary reforms. One peculiarity of the Indian life of the present day is the manner in which almost every single act of our daily life is regarded as regulated by some religious notion or another. We must eat, and sleep, and even stand, and sit, and walk only in accordance with certain religious beliefs, and the slightest departure from the accepted ideas in these matters is understood to increase the difficulties in the path of our salvation. And, naturally, these ideas have a far stronger hold on the minds of women than of men. All who know anything of Indian women know that the turn of their mind is intensely religious—a result due in no small measure to their being shut out from all other intellectual pursuits. And this combination of enforced ignorance and overdone religion not only makes them willing victims of customs unjust and hurtful in the highest degree, but it also makes them the most formidable, because the most effective, opponents of all attempts at change or innovation. It is obvious that, under the circumstances, a wide diffusion of education, with all its solvent influences, among the women of India, is the only means of emancipating their minds from this degrading thralldom to ideas inherited through a long past and that such emancipation will not

only restore our women to the honoured position which they at one time occupied in India, but will also facilitate, more than anything else, our assimilation of those elements of Western civilisation without which all thoughts of India's regeneration are mere idle dreams, and all attempts at it foredoomed to failure. The solution appears simple enough, and yet no problem in India is surrounded with greater difficulties or requires a more delicate and patient handling.

You, in this country, who are far more fortunately circumstanced, will find it hard to realize the exact nature or the full meaning of these difficulties. You have long left behind the period when it was necessary for any one to demonstrate to you the necessity of vindicating the dignity of female education. And practically, at the present day, the highest education which this great country of yours can provide in the different sciences and arts is freely available to your women, and is freely availed of by them. It is true that the lingering bigotry of men still tries here and there to throw small obstacles in your way, but they are, comparatively speaking, of little importance. If, for instance, men will not allow you to be called Senior Wranglers, that only enables you to claim a higher distinction,—that of excelling Senior Wranglers. The freedom to acquire knowledge, and secure the culture of mind that knowledge brings, is enjoyed in this country by men and women in an equal degree, and if any individual fails to take due advantage of this freedom, the responsibility for such neglect belongs to that individual, or that individual's guardians, and to no one else. In India, however, the state of things is entirely different. The position there cannot be better described than in the words of Lord Ripon's Education Commission, which ran thus: "The social customs of India, in regard to child-marriage and the seclusion in which women of the well-to-do classes spend their married life in most parts of the country, create difficulties which embarrass the promoters of female education at every step. The duration of the school-going age for girls is much shorter than that for boys. It usually terminates at nine and seldom

" extends beyond the eleventh year. At so early an age a " girl's education is scarcely begun ; and in very few cases " has the married child the opportunity of going on with " her education after she leaves school." I must state here that this description does not apply to the Brahmins in Bengal, who, though Hindus by race, have broken from all Hindu traditions, and have cut themselves off from the Hindu community. It does not apply to the Parsees and the Native Christians. These three classes no longer suffer from the evils of early marriages, or, rather, early betrothals, and there is no enforced seclusion of married women among them ; but, after all, numerically speaking, they are a mere drop in the ocean. The description is essentially true of the whole Mahomedan community, and of the vast bulk of the Hindu community. And yet, so far as the Hindus are concerned, their women occupied a much more honoured and dignified position than this at one time. There is no doubt whatever, as stated by Dr. Bhandarkar, the foremost Sanskrit scholar in Western India at the present day, that in very old times Indian women were not debarred from the highest education. In the Vedic period—the remotest past of which we have any record—about five thousand years ago they were among the inspired writers of sacred hymns, on which our religion is based. In the Upanishads—philosophical writings subsequent to the Vedas—they are mentioned as taking part in the discussions of the assemblages of learned Rishis, in which the highest problems about the world and the Supreme and the Individual Soul were discussed. In our great epic poems—descriptive of a period subsequent to the Upanishads, but still considerably anterior to the Christian era—they are represented as going through a regular course of education, of which drawing, music, and even dancing (which is now considered degrading) formed part ; they mixed freely with men and entered into learned discussions with them on spiritual and other difficult subjects. When Buddhism took its birth in India by way of protest against the sacrificial and ritual part of Hinduism, we find women actively assisting the reform which Buddha had inaugurated, and discussing with him abstruse points

about duty, virtue and absolution. It is only when we come to the period of our dramatic literature that we perceive a tendency in women to fall behind men in learning. We then find them not as well versed as men in the classical language, but even then they could read and write and compose poetry in the popular languages. And even so late as the Eleventh Century—the century which first attracted Mahomedan invaders to our land—we find instances of women possessing a high degree of education and engaged in intellectual pursuits. Then, almost suddenly, all light seemed to be extinguished, and for the last seven centuries our female world has been enveloped in a kind of intellectual gloom.

My friend, Mr. Romesh Chunder Dutt, thus writes about the position of women in ancient India, in his admirable work on “Civilisation in Ancient India” :—  
 “We cherish the picture of the cultured lady, Viswavara, which has been handed down to us through thousands of years, a pious lady who composed sacred hymns, performed sacrifices, and with simple fervency invoked the God Agni to regulate and keep within virtuous bounds the mutual relations of married couples. We meet with the names of other ladies, also, who were among the writers of the sacred hymns of the Rig Veda.” In another place Mr. Dutt writes :—“We have seen that the absolute seclusion of women was unknown in ancient India. Hindu women held an honoured place from the dawn of Hindu civilisation four thousand years ago; they inherited and possessed property; they took a share in sacrifices and religious duties; they attended great assemblies on State occasions; they often distinguished themselves in science and the learning of their times. And they even had their legitimate influence on politics and administration. Considered as the intellectual companions of their husbands, as their friends and loving helpers in the journey of life, as the partners of their religious duties, and the centre of their domestic bliss, Hindu wives were honoured and respected in ancient times.” And again :—“We saw in our account of the Epic period that ladies sometimes devoted themselves to

“ the pursuit of philosophy, that Gargi Vacaknavi distinguished herself among the learned men of the Court of Janaka. . . . .

“ Megasthenes is a witness to the fact that sacred learning and philosophy were not forbidden in the rationalistic period to such ladies as desired to devote themselves to such studies. ”

Education, enlightened freedom, and an honoured position in society, these—and not enforced seclusion and ignorance—are the rightful inheritance of Indian women. The last seven centuries of darkness have, however, so effectually done their work that any one who reminds the Indian people of this past state of things, and asks them to make an attempt to return to it, runs the risk of being set down as an innovator. And in this, as in several other matters, it is England that is awakening us to a true sense of our duty. Of course, even before the advent of the British into India, instruction of a most rudimentary character in reading and writing was sometimes imparted here and there to girls of the upper classes, but this instruction was not based on any system, and it possessed no organised character. Its nature is thus described by the Education Commission:—“ Apart from the Sanskrit traditions of women of learning and literary merit in pre-historic and mediæval times, there can be no doubt that when the British obtained possession of the country, a section of the female population was educated up to the modest requirements of household life. In certain provinces little girls occasionally attended the indigenous village schools and learned the same lessons as their brothers. Many women of the upper class had their minds stored with the legends of the Puranas and Epic poems, which supply impressive lessons in morality and in India from the substitute for history. Among the lower orders the keeping of the daily accounts fell in some households to the mother or chief female of the family. The arithmetic of the homestead was often conducted by primitive methods, addition and subtraction being performed by means of

"flowers or any rude counters which came to hand.  
 "Among the more actively religious sects and races girls  
 "received education as a necessary part of their spiritual  
 "training. In the Punjab they may still be seen seated  
 "in groups around some venerable Sikh priest, learning  
 "to read and recite the national scriptures or granth, and  
 "the Brahmin tutor of wealthy Hindu families does not  
 "confine his instruction to the sons alone. In some parts  
 "of the country such education as girls obtained was  
 "confined ostensibly to reading and arithmetic, writing  
 "being an art not held suitable for women of respectable  
 "life. . . . As a matter of fact, there always have  
 "been women of great accomplishments and strong  
 "talents for business in India. At this moment one of  
 "the best administered Native States has been ruled  
 "during two generations by ladies—the successive Be-  
 "gums of Bhopal. Many of the most ably managed of  
 "the great landed properties or Zemindaries of Bengal  
 "are entirely in the hands of females; while in commer-  
 "cial life, women conduct, through their agents, lucrative  
 "and complicated concerns. But the idea of giving girls  
 "a school education, as a necessary part of their training  
 "for life, did not originate in India until quite within our  
 "own days. The intellectual activity of Indian women  
 "is very keen, and it seems frequently to last longer in  
 "life than the mental energies of the men. The intelli-  
 "gence of Indian women is certainly far in advance of  
 "their opportunities of obtaining school instruction, and  
 "promises well for their education in the future."  
 It will thus be seen that, for systematic and organised  
 efforts for the promotion of female education, as also  
 for a correct appreciation of its importance as a  
 factor of individual improvement and national pro-  
 gress, we are indebted almost exclusively to the  
 influence introduced into the country by British rule,  
 and these influences, moreover, have been brought  
 to bear on us on a large scale only since the accession  
 of the present sovereign to the throne. A brief  
 account of the work achieved so far in this field in  
 the different provinces of India will not be out of place  
 in this paper.



Beginning with my own Presidency, Bombay, we find that the credit of making the first organised effort to educate Indian girls belongs to the American Missionary Society, who opened in 1824, the first native girls' school in Bombay. By the year 1829, no fewer than 400 female pupils were receiving instruction in their schools. The Scottish Missionary Society was not long in following the example of the American Society, and Dr. Wilson, one of the most respected names in India, established on its behalf six schools for native girls in Bombay in 1829. In 1840, this society opened five schools for high-class Hindu girls in the neighbourhood of Poona. It was not till 1851 that the Indians themselves came forward to work in this field. In that year the Students' Literary and Scientific Society was formed, which counted among its founders and earliest workers such men as Mr. Dadabhai Naoroji, the late Mr. Mandik, and others, and which has, on the whole, done most excellent work. This Society began its operations with nine vernacular free schools, attended by more than 650 girls. In 1854, the Court of Directors addressed to the Government of India the famous Despatch on Education, which laid down the lines on which the work of educating the Indian people was to be undertaken by the Government. It is a wonderful document, and no wonder that it is so, seeing that it is reputed to have emanated from the pen of John Stuart Mill. This Despatch laid great stress on the urgency and importance of female education in India, and led to Government joining in the good work, which till then had been left entirely to private enterprise. Later on, the visit of Miss Mary Carpenter, whose name will always be gratefully cherished by the Indian people, gave a great and much needed impetus to the movement, and Female Normal Schools for the supply of female teachers were established in Bombay, Poona and Ahmedabad. The progress in female education in the Bombay Presidency during the last half century has indeed been continuous and remarkable. In 1854, there were 65 girls' schools, attended by 3,500 pupils. In 1869, the number of schools had risen to 209, and that of pupils to over 9,000. In 1881 the number of schools stood at 343, with over 26,000 pupils. Last year there

were 900 schools for girls with an attendance of over 84,000 pupils.

In the Madras Presidency, the first attempt at providing schools for native girls was made in 1841 by the Missionaries of the Scottish Church. In 1845, the first girls' school under partial native management was opened. When the Despatch of 1854 arrived in India, there were in the Madras Presidency 256 girls' schools, attended by 8,000 girls. In 1881, the number of schools had risen to 557, and that of pupils to over 35,000. Last year there were in the Madras Presidency over 1,000 schools, attended by nearly 110,000 girls.

The Despatch of 1854 found 288 girls' schools, with nearly 7,000 pupils, in Bengal. But included in this number was an institution which has since become famous in the history of female education in India—the Bethune Girls' School in Calcutta. The following account of this institution is given in the report of the Education Commission:—"This institution was established in 1849, and bears the name of its founder, Mr. Drinkwater Bethune, then Legal Member of Council, who took an active part in many movements for the advancement of native society. It was opened under the name of 'the Hindu Female School, with 23 pupils and was for some time maintained at the entire cost and under the direct management of Mr. Bethune, who also by his will left lands and other property in Calcutta for its endowment in perpetuity. On his death, in 1851, it was taken up by Lord Dalhousie, who for nearly five years paid 8,000 rupees annually for its maintenance from his private purse. The charge was afterwards transferred to the State, although the direct management of the school continued and still continues in the hands of a Committee. Unlike the earlier Missionary efforts, the Bethune School rests on a secular basis; and the Committee aims at conducting it in accordance with national Indian feeling. It derives its pupils chiefly from the higher classes, exacts an adequate payment for boarding and other charges, and carries its instruction up-to University Standard." The

number of girls' schools in 1881 stood at over 1,000, with an attendance of over 41,000 pupils. Last year these figures were 3,352 schools and 114,000 pupils.

The early efforts of the Missionary societies towards the spread of female education were not very successful in the North-West Provinces, and the Despatch of 1854 found only 17 Missionary schools for girls, with an attendance of 386 pupils. After the receipt of the Despatch, Government took up the work with great zeal, and by 1871 the number of girls' schools in these Provinces had reached 640, and the number of pupils nearly 14,000. Then the progress was suddenly arrested, and for ten years there was actually a retrograde movement, which is thus described by the Education Commission: "Between 1871 and 1881 a great decrease took place in girls' schools. Their abolition was mainly due to the financial position of the Government. It was felt that, if retrenchments were necessary, they could be carried out in the girls' schools with the least prejudice to education. By 1881 the number of schools had dropped from 640 to 308, and the number of pupils from 14,000 to less than 9,000. The ground thus lost has not been recovered yet. Last year the numbers of girls' schools in these provinces stood at 425, and the number of pupils at about 12,500.

"In the Punjab, the indigenous schools for religious instruction have always been careful in imparting the rudiments of reading and writing to females, and even at the present day we have over 900 of such schools attended by nearly 13,000 girls." In addition to such schools the Despatch of 1854 found 17 Missionary schools attended by 300 girls. Then the numbers began to decrease, as in the North-West Provinces, and by 1881 they had dropped to 311 schools and 9,000 pupils. Last year these figures stood at 362 and a little over 13,000, respectively.

Thus in these five provinces, we had, in 1854, about 600 schools for girls, attended by about 19,000 pupils. Instead, we have now over 6,000 schools, attended by nearly 250,000 girls. The progress indicated by these figures is beyond all doubt most striking and so far very satisfactory. In one respect, however, there is room for dissatisfaction

and even disappointment. Nearly all the progress, remarkable as it is, is confined to primary education. Taking the Bombay Presidency, for instance, we find that among the 900 and odd schools for girls, there are only 60 for secondary education, and even these are for the most part European, Eurasian or Parsee schools. The number of secondary schools for Hindu girls is only 4, with an attendance of less than 200 pupils—the most notable of these being the female high school in Poona, which owes so much to the inspiration, sympathy, and support of our good friend Sir William Wedderburn. As for higher education there is not a single female college—arts or professional—in the whole Presidency. The main difficulty in the way of the higher or secondary education of Hindu girls is, of course, the fact that these girls must be married, or rather betrothed, before a certain age—the present limit being about 11 or 12 years—and that they are, as a rule, withdrawn from school immediately after such marriage or betrothal. The question is thus intimately connected with another necessary reform, namely, raising the marriageable age of Hindu girls. And the position may be correctly described in the following words of the late Mr. Justice Telang: “In discussing this matter, we seem sometimes to move in a vicious circle. We cannot successfully raise the age of marriage for girls among any large portions of our community without a wide spread of female education. And, on the other hand, any considerable spread of real female education is hardly possible until the age of marriage is raised. There is a real difficulty here, but the way to meet it is at one and the same time to push on female education to the extent that is possible, under present conditions, and to extend the limits of marriageable age in the same way. And as every advance is secured along either of these lines, the further advance will become more and more easy. Our progress in the later stages will be accelerated, if I may say so, in geometrical progression.”

Even the progress in primary education, which appears so striking, marks, after all, only the commencement.

of the great work that in reality lies before us. The following figures will make my meaning clear. In the Madras Presidency, according to the last census, out of a total female population of 20,000,000, only 250,000, females can read and write, or are under instruction, which gives a ratio of 1 in 80. In the Bombay Presidency, the figures are 100,000, out of a total female population of about 13,000,000, thus giving a ratio of 1 in 130. In Bengal, out of 37,000,000 females, only 150,000 can read and write or are under instruction which means a ratio of 1 in 259. In the Punjab, the figures are 35,000, out of a total of 11·5 millions—a ratio of 1 in 330. In the North-West Provinces we have 50,000 females who can read and write, or are under instruction out of a total of 23,000,000 which gives a ratio of 1 in 410. The Central Provinces have a female population of 6·5 millions, and of these only 12,000 —i.e., 1 in 548—are attending schools or can read and write. Comments on these figures are really superfluous.

The difficulties, apart even from social customs, are many and serious. The supply of good female teachers is certainly far short of the needs of the country. The female training colleges are doing useful work in this connection, but there is a general feeling that they do not attract a sufficiently large number from those classes of women whose employment as teachers would inspire general confidence. Then the question of determining the proper curriculum for girls' schools is surrounded with difficulties. As the appreciation of female education becomes more widespread, men will come to recognize that there ought to be no more impediments in the path of girls than in that of boys in selecting the subjects they are to study or choosing the books they are to read. In our present circumstances, however, when it is necessary for us to work along the line of least resistance, it is necessary to take note of the different surroundings of boys and girls in Indian Society in determining the course of instruction, and to make some concession even to popular prejudices on the subject. I fear this has not been done in the past to the extent that is desirable. The worst defect in the

present system of female education in India is the utterly dry, mechanical and uninteresting character of\* the methods of instruction. Women naturally possess more refined sensibilities than men, and have a finer, more delicate æsthetic perception; and a course of instruction which merely overloads the memory and fails to appeal to the imagination is not calculated to leave on the minds of small girls very agreeable impressions of their brief school career. But, as I have observed above, the good work of female education is only just begun in India, and what has been already accomplished is as nothing compared with what yet remains to be achieved. And I have firm faith that in course of time all the deficiencies which at present constitute so many obstacles in our path will one by one disappear. Here, if anywhere, we feel that the flowing tide is with us. The opposition of my countrymen to the education of their girls, at one time so general and so pronounced has already softened into indifference, into toleration. And from this to active appreciation is but a single step, though I must admit it is not a short step. Happily there is no trace of hesitation or misgiving in the minds of our rulers on the subject, and philanthropic ladies and gentlemen in this country, to whose sympathy and assistance we are already so much indebted, may well be trusted to continue their good work in the future. What has been said of charity is also true of education. It blesseth those that give as also those that receive. And if any words of mine, addressed to you to-day, lead any to join in the emancipating work of female education in India, I shall feel that my humble labours have been amply rewarded.

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## FAREWELL TO FERGUSSON COLLEGE.

*[On the eve of his retirement from the Fergusson College, the students presented Mr. Gokhale with a farewell address, on Friday, the 19th September 1902, to which he replied as follows :—]*

Mr. Principal, Brother-Professors and Students of the College :—It is not possible for me to rise without deep emotion to reply to the address which has just been read, and to return thanks for the great, the overwhelming kindness with which you have treated me to-day. All parting in life is sad, but where the heart's deepest feelings are involved, the severance of old ties, and the necessity of saying good-bye, is about as trying an ordeal as any that a man can be called upon to go through. For eighteen years now, I have tried, according to the humble measure of my capacity, to give the best that was in me to this Society. Through good report and through evil report, through sunshine and through storm, it has been my endeavour to work for this institution with a single aim to its welfare, till at last it has become impossible for me to think of myself as apart from this College. And now, when the time for my withdrawing myself from all active work in this institution has come, my heart is naturally stirred by conflicting emotions, in which a feeling of intense thankfulness is mingled with a feeling of deep sadness. I feel thankful, profoundly thankful, that it has pleased Providence to give it to me to discharge the solemn and onerous obligations of a vow taken so many years ago under the influence of youthful enthusiasm, and that no matter what happens to me in the future, I shall always be able to look back with pleasure and pride on this part of my career, and say to myself : "Thank God, I was permitted to fulfil my pledge." But, gentlemen, side by side with this feeling of thankfulness, there is a feeling of deep regret, that my active work for this great institution is now at an end. You can easily understand what a wrench it must be to me to

thus tear myself away from an institution, to which my best work hitherto has been given, and which always has been first in my thoughts and affections, no matter in how many fields it was my lot to work. Some of you here may, perhaps, be tempted to ask, as other friends have already asked—why do you retire from the College, if you feel the parting so keenly? My answer to this question is, that my decision has not been arrived at without a long and anxious examination of the whole position. In the first place, my health is not now what it once was. During the last term, it was a matter of anxiety to me from week to week, and almost from day to day, how I should be able to finish my work without breaking down in the middle of the term. Even then, as many of you are aware, I was not able to perform my duties in the College with that strict regularity, with which my colleagues were performing theirs, and one cannot help feeling that this is a very unsatisfactory position to be in, though never a word of complaint was heard from my colleagues. And I felt I had no right to put such a strain on their indulgence. You know the golden rule that when you sit down to a repast, it is always well to rise a little hungry or when you go to a friend's house, you should rather leave before your time than overstay his hospitality even by a day. I know my colleagues do not think that the illustrations apply. All the same, having worked for eighteen years more or less under high pressure I thought it was best for me to retire and leave the field to other workers. This, however, is, not my sole reason for withdrawing from the College and some of you are apt to think that it is not a very conclusive one either, and I will frankly tell you that another reason has influenced me in making up my mind, quite as much as this one. Years ago I remember to have read the story of a man, who lived by the side of the sea, who had a nice cottage and fields that yielded him their abundance, and who was surrounded by a loving family. The world thought that he was very happy. But to him the sea had a strange fascination. When it lay gently, heaving like an infant asleep, it appealed to him; when it raged like an angry and roaring lion, it still appealed to him; till at last he could withstand the fatal



fascination no longer. And so having disposed of everything and put his all into a boat, he launched it on the bosom of the sea. Twice was he beaten back by the waves—a warning he would not heed. He made a third attempt when the pitiless sea overwhelmed him. To a certain extent this seems to me to be my position to-day. Here I am with a settled position in this College, and having for my colleagues men with whom it is a pleasure and a privilege to work, and whose generosity in overlooking my many faults and magnifying any little services I may have rendered, has often touched me deeply. And yet, I am giving up all this to embark on the stormy and uncertain sea of public life. But I hear within me a voice which urges me to take this course, and I can only ask you to believe me when I say that it is purely from a sense of duty to the best interests of our country, that I am seeking this position of greater freedom, but not necessarily of less responsibility. Public life in this country has few rewards and many trials and discouragements. The prospect of work to be done is vast, and no one can say what is on the other side—how all this work may end. But one thing is clear. Those who feel in the matter as I do must devote themselves to the work in a spirit of hope and faith and seek only the satisfaction which comes of all disinterested exertions. This is not the place where I may speak of my future hopes or lines of work. But one thing I know, and it is this :—Whether I am permitted to press onwards and prove of some little use to the public in another capacity, or whether I have to return a weather-beaten, tempest-tost, ship-wrecked mariner, my thoughts, as you have said in your address, will constantly be with this institution; and, on the other hand, I shall always be sure of a warm and hospitable welcome within these walls, whenever I choose to come here. And, now, before concluding I wish to say one thing to the students of this College. I hope and trust that they will always be proud of this institution. I am about to leave you and so I can speak on this subject now with less reserve. I have been nearly all over India, and I have naturally felt special interest in the educational institutions of different places. Nowhere throughout the country is there an institution like this College of ours.

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There are other institutions better equipped, and also with older traditions; but the self-sacrifice of men like my friends, Mr. Paranjpye and Mr. Rajawade, surrounds this College with a halo of glory all its own. The principal moral interest of this institution is in the fact that it represents an idea and embodies an ideal. The idea is that Indians of the present day can bind themselves together, and putting aside all thoughts of worldly interests work for a secular purpose with the zeal and enthusiasm which we generally find in the sphere of religion alone. The ideal is the ideal of self-help, that we may learn slowly but steadily to rely less and less upon others, however willing to bear our burdens, and more and more upon ourselves. I trust that you, the students of this College, will keep this character of the institution steadily before your eyes—that your devotion to it, your enthusiasm for it, will be commensurate with the nobility and importance of its work, that even when you feel disposed to criticise it, you will speak of it with that loving solicitude with which we mention a parent's faults, and that you will always do what lies in your power to further its interests and enlarge the sphere of its usefulness and influence. And now nothing remains for me but to say "good bye." I know I have given but feeble utterance to the thoughts that are at this moment uppermost in my mind, but nothing that I can say will express them adequately. I wish you well—individually and collectively. In leaving you as I am doing, I feel I am leaving the best work of my life behind me. I trust I may meet some of you hereafter as co-workers in other fields, that we may also occasionally meet within the walls of this College. God bless this College and bless you all.

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## THE ELEVATION OF THE DEPRESSED CLASSES.

*[At the Dharwar Social Conference held on April 27th, 1903, the Hon. Mr. Gokhale moved the following Resolution on the elevation of the depressed classes. In doing so, he said :—]*

Mr. President and Gentlemen,—The proposition which has been entrusted to me runs thus :—

That this Conference holds that the present degraded condition of the low castes is in itself and from the national point of view unsatisfactory, and is of opinion that every well-wisher of the country should consider it his duty to do all he can to raise their moral and social condition by trying to rouse self-respect in these classes and placing facilities for education and employment within their reach.

Gentlemen, I hope I am not given to the use of unnecessarily strong language and yet I must say that this resolution is not as strongly worded as it should have been. The condition of the low castes—it is painful to call them low castes—is not only unsatisfactory as this resolution says—it is so deeply deplorable that it constitutes a grave blot on our social arrangements ; and, further, the attitude of our educated men towards this class is profoundly painful and humiliating. I do not propose to deal with this subject as an antiquarian ; I only want to make a few general observations from the standpoint of justice, humanity, and national self-interest. I think all fair-minded persons will have to admit that it is absolutely monstrous that a class of human beings, with bodies similar to our own, with brains that can think and with hearts that can feel, should be perpetually condemned to a low life of utter wretchedness, servitude and mental and moral degradation, and that permanent barriers should be placed in their way so that it should be impossible for them ever to overcome them and improve their lot. This is deeply revolting to our sense of justice. I believe one has only to put oneself mentally into their place to realise

how grievous this injustice is. We may touch a cat, we may touch a dog, we may touch any other animal, but the touch of these human beings is pollution! And so complete is now the mental degradation of these people that they themselves see nothing in such treatment to resent, that they acquiesce in it as though nothing better than that was their due.

I remember a speech delivered seven or eighty ears ago by the late Mr. Ranade in Bombay, under the auspices of the Hindu Union Club. That was a time when public feeling ran high in India on the subject of the treatment which our people were receiving in South Africa. Our friend, Mr. Gandhi, had come here on a brief visit from South Africa and he was telling us how our people were treated in Natal and Cape Colony and the Transvaal—how they were not allowed to walk on foot-paths or travel in first-class carriages on the railway, how they were not admitted into hotels and so forth. Public feeling, in consequence, was deeply stirred, and we all felt that it was a mockery that we should be called British subjects, when we were treated like this in Great Britain's colonies. Mr. Ranade felt this just as keenly as any one else. He had been a never-failing adviser of Mr. Gandhi, and had carried on a regular correspondence with him. But it was Mr. Ranade's peculiar greatness that he always utilized occasions of excitement to give a proper turn to the national mind and cultivate its sense of proportion. And so, when every one was expressing himself in indignant terms about the treatment which our countrymen were receiving in South Africa, Mr. Ranade came forward to ask if we had no sins of our own to answer for in that direction. I do not exactly remember the title of his address. I think it was "Turn the search-light inwards," or some such thing. But I remember that it was a great speech—one of the greatest that I have ever been privileged to hear. He began in characteristic fashion, expressing deep sympathy with the Indians in South Africa in the struggle they were manfully carrying on. He rejoiced that the people of India had awakened to a sense of the position of their countrymen abroad, and he felt convinced that this

awakening was a sign of the fact that the dead bones in the valley were once again becoming instinct with life. But he proceeded to ask:—Was this sympathy with the oppressed and down trodden Indians to be confined to those of our countrymen only who had gone out of India? Or was it to be general and to be extended to all cases where there was oppression and injustice? It was easy, he said, to denounce foreigners, but those who did so were bound in common fairness to look into themselves and see if they were absolutely blameless in the matter. He then described the manner in which members of low caste were treated by our own community in different parts of India. It was a description, which filled the audience with feelings of deep shame and pain and indignation. And Mr. Ranade very justly asked whether it was for those who tolerated such disgraceful oppression and injustice in their own country to indulge in all that denunciation of the people of South Africa. This question, therefore, is in the first place a question of sheer justice.

Next, as I have already said, it is a question of humanity. It is sometimes urged that if we have our castes, the people in the West have their classes, and after all, there is not much difference between the two. A little reflection will, however, show that the analogy is quite fallacious. The classes of the West are a perfectly elastic institution, and not rigid or cast-iron like our castes. Mr. Chamberlain, who is the most masterful personage in the British Empire to-day, was at one time a shoemaker and then a screw-maker. Of course, he did not make shoes himself, but that was the trade by which he made money. Mr. Chamberlain to-day dines with Royalty, and mixes with the highest in the land on terms of absolute equality. Will a shoemaker ever be able to rise in India in the social scale in a similar fashion, no matter how gifted by nature he might be? A great writer has said that castes are eminently useful for the preservation of society, but that they are utterly unsuited for purposes of progress. And this I think is perfectly true. If you want to stand where you were a thousand years ago, the system of castes need not be modified in any material degree. If, however, you

want to emerge out of the slough in which you have long remained sunk, it will not do for you to insist on a rigid adherence to caste. Modern civilisation has accepted greater equality for all as its watchword, as against privilege and exclusiveness, which were the root-ideas of the old world. And the larger humanity of these days requires that we should acknowledge its claims by seeking the amelioration of the helpless condition of our down-trodden countrymen.

Finally, gentlemen, this is a question of National Self-interest. How can we possibly realise our national aspirations, how can our country ever hope to take her place among the nations of the world, if we allow large number of our countrymen to remain sunk in ignorance, barbarism, and degradation? Unless these men are gradually raised to a higher level, morally and intellectually, how can they possibly understand our thoughts or share our hopes or co-operate with us in our efforts? Can you not realize that so far as the work of national elevation is concerned, the energy, which these classes might be expected to represent, is simply unavailable to us? I understand that that great thinker and observer—Swami Vivekananda—held this view very strongly. I think that there is not much hope for us as a nation unless the help of all classes, including those that are known as low castes, is forthcoming for the work that lies before us. Moreover, is it, I may ask, consistent with our own self-respect that these men should be kept out of our houses and shut out from all social intercourse as long as they remain within the pale of Hinduism, whereas the moment they put on a coat and a hat and a pair of trousers and call themselves Christians, we are prepared to shake hands with them and look upon them as quite respectable? No sensible man will say that this is a satisfactory state of things. Of course, no one expects that these classes will be lifted up at once morally and intellectually to a position of equality with their more-favoured countrymen.

This work is bound to be slow and can only be achieved by strenuous exertions for giving them education and

finding for them honourable employment in life. And, gentlemen, it seems to me that, in the present state of India, no work can be higher or holier than this. I think if there is one question of social reform more than another that should stir the enthusiasm of our educated young men and inspire them with an unselfish purpose, it is this question of the degraded condition of our low castes. Cannot a few men—five per cent., four per cent., three, two, even one per cent.—of the hundreds and hundreds of graduates that the University turns out every year, take it upon themselves to dedicate their lives to this sacred work of the elevation of low castes? My appeal is not to the old or the middle aged—the grooves of their lives are fixed—but I think I may well address such an appeal to the young members of our community—to those who have not yet decided upon their future course and who entertain the noble aspiration of devoting to a worthy cause the education which they have received. What the country needs most at the present moment is a spirit of self-sacrifice on the part of our educated young men, and they may take it from me that they cannot spend their lives in a better cause than raising the moral and intellectual level of these unhappy low castes and promoting their general well-being.

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## OUR POLITICAL SITUATION.

*[On Monday, the 25th July 1904, the public of Madras assembled in large numbers at the Pachaiyappa's Hall to give a public welcome to the Hon'ble Mr. Gokhale. The hall, however, was overcrowded and several thousands could find no accommodation within. The meeting was, therefore, held in the spacious maidan opposite the College. Dewan Bahadur K. Krishnaswami Row, C.I.E., Retired Dewan of Travancore, the Chairman of the Meeting, referred in graceful terms to the Hon'ble Mr. Gokhale's services to the people. Mr. Gokhale made this speech in reply :—]*

Mr. President and Gentlemen,—It is difficult for me to find words to convey in any adequate manner my sense of the overwhelming kindness with which you have received me this afternoon. I hope there may arise no circumstances which may ever lead you to regret the welcome—the generous welcome—that you have accorded to me to day; and, for my part, I shall only say this, that the recollection of this kindness will not easily fade from my memory. Gentlemen, in a vast concourse like this, it is hopeless to expect that my words will reach every one of you. I will, however, try to say what I have to say in as brief a manner as possible so as not to detain you long in any case. You are, perhaps, aware that I have come to Madras in my capacity as Joint Secretary of the Indian National Congress. It was in this city of Madras that I was appointed to this office last December. Unfortunately pressure of duties elsewhere prevented my coming to Madras at the time when my appointment was made. But perhaps it was as well, seeing that the weather at that time did not permit the men who came from different parts of the country to have anything like a large interchange of ideas. Well, I have come now to have that interchange of ideas and compare notes with friends here; and my only regret is that I am unable, owing to the shortness of the



time at my disposal, to visit those centres of political activity in the mofussil to which I have been so kindly invited and which I myself would be very glad to go and see. However, I hope that it is for me only a pleasure postponed and that circumstances will permit my making a somewhat extended tour of this Presidency sometime next year.

Gentlemen, I have now been for about twenty years in public life, I mean such public life as we have in this country, and this means that I have been able to follow the fortunes of the National Congress from its very start, because this is the twentieth year since that institution first came into existence. During the last few years I have also had special opportunities to become acquainted with the trend of thought and events in various parts of India, and one thing I have noticed which there is no mistaking. In many of our papers, in the utterances of many of our leading men, in the discussions that take place, in the freedom of private conversation, you find everywhere that the predominant note in regard to political agitation is one of despair. It seems that a kind of despondency is setting over the national mind. People have already begun to ask openly the question, what has the Congress done during the nineteen years that it has been in existence. Some others alter the form of the question and ask, is it possible for the Congress to achieve anything substantial, if its work is continued on the lines on which it has been carried on so far? There are some who go even further and try to urge on us the practical futility of political agitation such as that in which we are engaged. They say that the history of the world furnishes no instance in which such an agitation has ever brought any privileges to those who agitated, and they advise us that it would be the part of wisdom on our part to give up political agitation and devote our energies, such as they are, to the industrial development of the country. Thus, whatever you may think of these views, one thing is clear, that our leading workers, many of them, not all, are gradually, but steadily, losing faith in our political agitation. Now, if there were any real justification for this feeling of despair,

the outlook would be dark indeed. But is there any real justification? That is the question that I would like to put to you, just as that is the question that I very often put to myself whenever a feeling of despair tends to assail me. The whole position requires to be examined calmly and dispassionately. And for that purpose you have to ask yourselves two or three questions. You may first of all ask yourselves what were the thoughts and ideas of those who began this political work? What were the hopes and aspirations that were close to their hearts? Then you have to ask yourselves what were the conditions under which this work was undertaken by them? What are the conditions under which this work has to be done now, and whether there has been any change or alteration of late in these conditions? These are the questions which you must put to yourself if you are anxious to examine the situation correctly. With regard to the first question as to what were the thoughts and ideas of those who started this work, and what were the hopes and aspirations that lay close to their heart, the answer is, I believe, not far to seek. Those men first of all wanted to act as interpreters between the rulers and the ruled, to explain, on the one hand, to the people the intentions of the Government, and to represent, on the other, to the rulers the grievances of the people. This was the first part of political agitation, and it is being performed on the whole not badly, though of course there is considerable room for improvement. But more than this, they wanted to work for the triumph of those larger principles on which our hopes for the future of our country are based. It was their aspiration that the disabilities under which we labour at present might become less and less, and that in the fulness of time we should have the full rights of that British citizenship to which we have been admitted only in name at present. This was the second, and in one sense the higher, part of our political agitation. It is in connection with this that the principal difficulties of the position arise, and the judgments that are so often pronounced about the success or failure of political agitation are also mostly in reference to these. Now, gentlemen, let us turn to the second question. What were the conditions under which the proposed work

was to be done; what were the conditions which our leaders then had got to realise and which we, who take up their work, have got now to realise in connection with this work? We have got to realise that on one side of us are arrayed forces of racial ascendancy, of monopoly, of power, and on the other side is a vast mass of ignorance, apathy and moral helplessness. Between these two we have to work, to face, try to overcome the forces marshalled against us on one side and to quicken into life and to move into energetic action the vast mass on the other. Now this meant a most formidable task, and we had no right or business to imagine that it would prove to be any other. We had no reason to expect that the citadel of monopoly would capitulate at the first assault and we have only ourselves to thank if we are now disappointed in such unjustifiable expectations. Remember, gentlemen, that those who are arrayed against us and in whose hands there is the monopoly of power—they have behind them practically the vast resources of Government, in any case they have behind them the moral support of the Government of the country. Moreover, it is but fair to acknowledge that they are a body of picked men, that man for man they are better men than ourselves; they have a higher standard of duty, higher notions of patriotism, higher notions of loyalty to each other, higher notions of organised work and of discipline, and they know how to make a stand for the privileges of which they are in possession. We have no right to complain that they are what they are. If we understood the true dignity of political work, we should rejoice that we are confronted by opponents such as these. We should look upon it as a privilege that we have got to struggle with men of this calibre, and instead of giving ourselves up to despair, we should look upon every failure, as though it was intended by Providence to strengthen us for the next effort we have to make. As regards the vast mass which we have on the other side, of which I have spoken, it is an exceedingly difficult work to energise this vast mass, to put life into it, to make it move along with us; and the work is bound to be slow, and it is being very slowly done. My point in mentioning these two facts, *viz.*, the forces ranged

on one side and the mass lying on the other, is to show to you the tremendously difficult nature of the task that lies before us, the enormous difficulties of the problem which confronts us. I want you to realize these difficulties properly, to consider what has been the extent of your effort to overcome them and the measure of success which has so far attended that effort, and then I feel sure you will not give yourselves up to despair or indulge in counsels such as those which of late we have been hearing. Remember, gentlemen, that it is only for the last 19 years that this Congress has been working, and when you think of the work that you are doing—which, after all, is much less than what it might be—and when you think of the results that have so far been achieved, I for one find no cause for despair. What has been achieved during these 19 years? If you will range your eye over the achievements, you will find that there are some results to our credit which need not be despised at all. Our first agitation was in connection with the raising of the age for the Indian Civil Service. That point we were able to carry and the age was raised from 19 to 23. Our next agitation was for the expansion of Legislative Councils. That reform ultimately came about, and the Legislative Councils are more real and more living deliberative bodies to-day than they were 16 or 17 years ago. They are not yet perfect bodies. There is great room for improvement in their composition and their scope of work. But there is no doubt, whatsoever, that the general level of debate in these bodies is higher to-day than it was ever before. The character of the speeches delivered by non-official members in the various provinces shows as a whole a better grasp of public question and it shows also that the public takes closer and more watchful interest in the legislative and administrative acts of the Government. I think here is a result on which we may well congratulate ourselves. Then, gentlemen, we find that during the last 15 or 20 years, the Press of the country has become a more potent instrument of progress than was the case before. It is quite true that some of the journals are not up to a very high standard, but, taking one journal with another, they exercise a far greater

influence on the progress of the country than was the case before. The resolutions that you pass in your Congress filter down to the mass of our educated people, and they are in one form or another constantly pressed on the attention of the authorities and the people in the columns of the Press. The work of political agitation, which the Congress has undertaken, is thus being carried day after day, and week after week, by the Press, and this greater activity of the Press you must also put to the credit of the Congress. Again, you find that the different provinces of the country feel now drawn closer together than was the case before; that we throb with the same national impulse, rejoicing over the same failures and sharing in the same hopes. And here I think is a test of a growing nationality, if ever you had a test. All these things stand to the credit of the Congress. Having achieved these things during the last 15 or 16 years with such feeble efforts as we have put forth, I think it is not open to any one to indulge in language of despair.

I am not blind to the fact that, to a certain extent, the difficulties of political agitation have increased of late in this country. On account of the Congress, local political organizations have been overshadowed; on account of the Congress, Imperial questions have cast into the shade Provincial questions. Politicians in different parts of India do not now feel interested to the same extent in local and provincial questions as before. This fact has got to be admitted. Further, the opposition that is offered to us on the other side has become more organised. When the Congress itself did not exist, it was possible for many Englishmen to express a sort of platonic sympathy with our aspirations. Now, however, that they find that we are in earnest and are making organized efforts to realize our aspirations, there are not many who are anxious to associate themselves with us in this work of agitation. Further, our difficulties have increased of late on account of the growth of a spirit of narrow imperialism—not the nobler imperialism which would work for the elevation of all who are included within the Empire, but the narrower imperialism which looks upon the world as though it was made for

one race only and which is found in season and out of season of setting up an image of its own achievements and standing in adoration before it. To this imperialism we owe the tendency which has been too much in evidence of late to explain away, and at times even openly to repudiate solemnly given pledges, and it constitutes a phase of the situation which certainly may cause us some anxiety. But, after all, these new difficulties come to nothing very much. They only mean that we must redouble our efforts, put more energy and life into our work, and rise equal to the occasion. There are men who say that nothing is to be gained by our political agitation, that history does not afford us an example of people gaining anything by such methods and that we must, therefore, concentrate our efforts on what they think to be more likely to be achieved, namely, the industrial development of the country. A friend of mine, Mr. Chowdhury, who presided over the last Provincial Conference of Bengal, delivered the other day an address, some parts of which I read with great admiration but other parts of which I failed to comprehend altogether. He laid down the somewhat startling proposition, that a subject-race can have no politics. Now this is one of those half-truths which are really more dangerous than untruths themselves. If you understand the word "politics" in the sense of international politics, then, of course, the proposition is correct; but if politics is the term wider than international politics, as we know it is, a subject-race has as much right and as much reason as, and perhaps more right and more reason to have politics of its own than, the races which are self-governing and dominant. You have to fight against the ascendancy of a dominant class, you have to fight to get admittance into those ranks of power which are at present closed to you. All this implies political work of the highest character. Do not, therefore, be misled by propositions of this kind. In regard to the advice that we should now concentrate our efforts on the industrial development of the country, while I have the deepest sympathy with all efforts for our industrial advancement, I beg you to remember there are great limits to that kind of work also. It is with me a firm conviction that unless you have a more effective and more potent

voice in the government of your own country, in the administration of your own affairs, in the expenditure of your own revenues, it is not possible for you to effect much in the way of industrial development. And I have no doubt in my own mind that those who are asking you to-day to give up political agitation and confine yourselves to industrial development only will ten years hence be as despondent about the results achieved in the industrial field as they are to-day about political agitation. I do not mean to say that we should be satisfied with such political work as is being at present done in the country. Far from it—I think no man feels more keenly than myself that things should be as they are. But that only means that we must work more strenuously, not that the work done in the past deserves to be condemned, not that the methods of the past deserve to be discredited and discarded. It is our duty to recognise the demands which the present makes on us, by putting more life and energy into our work. Our public life is really feeble and ineffective because it is so faint-hearted and so soulless. Very few of us have really faith in the work we are doing. When men take up work in a mechanical spirit, without believing in it, you should not be surprised if no great results are achieved. We all admire and talk of the achievements of Japan. Many of us have of late been reading the history of Japan. I too am trying to follow the story of Japan. What do I find? In the first place there has always been a tremendously strong national feeling in that country. That has been Japan's own. It was not brought into the country by those Western methods which Japan adopted forty years ago. Such national feeling is bound to be a plant of slow growth in this country. In addition to that national feeling, what strikes me most in the history of Japan is the marvellous manner in which the lead of the leaders has been accepted by the bulk of the people of the land. Therein to my mind lies the great secret of Japan's success. Leaders of thought in that country laid down lines of work and the bulk of the people willingly accepted them, and patiently and quietly proceeded to do their part. The result was that there was a great concentration of effort which enabled Japan to cast off,

so to say, its ancient dress and to put on new habiliments. This, then, is the lesson we have to learn from Japan, that if our work is to be successful, our efforts must be concentrated, and efforts cannot be concentrated unless leaders receive from followers that disciplined obedience which you find in Japan. It is true that we have not got many single-minded leaders in the country to lead us, but we are not wholly without them. We have one such man in Sir Pherozeshah Mehta; earnest and patriotic, possessing high abilities, and qualified in every way to lead the country. But these men must receive more implicit support from the bulk of our educated men. It is a good habit to think for one-self, but where concentration of efforts is needed, unless questions of conscience are involved, men must be prepared to subordinate their judgment to that of those whom they are expected to follow. There must be more discipline in our public life. At the same time there must be a greater realisation on the part of the leaders of the responsibilities that devolve upon them. The day has gone by when politics could afford to be amateurish in this land. It has been amateurish in the past; but the struggle is growing keener and keener and it is necessary that men should take up the duties and responsibilities of public life in the same manner as they choose their profession and devote their energies to it. For such work we have a right to look to the class from whose ranks the members of our Legislative Councils are drawn. I do not expect every one of these members to give up his daily occupation and to take up this work. But surely in every province, the country has the right to expect at least one or two men to come forward and give more of their time and energy to the building up of the public life, whose weakness we all so much deplore. These men could then be centred round whom our young men could group and band themselves together, and it would then be possible to build up a much higher type of public life than now. I have tried so far to establish two or three propositions. There is nothing whatsoever in the situation to make us despair. Those that indulge in counsels of despair, those that use language such as I have already referred to—who say that nothing is to be gained



by political agitation—they really do a great disservice to the country; they do nothing themselves and they only paralyse the efforts of others. It is said that history furnishes no example of a subject-people rising by such methods as ours. Now, gentlemen, I have myself paid some attention to history; and if I have been convinced of one thing more than another, it is this; that you can never have a perfect parallel in history. It is impossible for circumstances to repeat themselves, though you have the common saying that history repeats itself. It may be that the history of the world does not furnish an instance where a subject-race has risen by agitation. If so, we shall supply that example for the first time. The history of the world has not yet come to an end, there are more chapters to be added; therefore we must not be discouraged by the lessons which some people profess to draw from history. Gentlemen, I do not wish to detain you longer. The great need of the situation is that you should have more faith in the work in which you are engaged and that you should be ready to make more sacrifices for that work. Considering the manner in which we have been working so far, there is no reason to be dissatisfied with what has been achieved. It is true that, for some time past, the forces of reaction have been gaining in strength. Reactionary legislation against which the whole country had protested has been fixed on the country in spite of the protest. Some recent utterances of men in high authority have been conceived in a spirit calculated to spread a feeling of uneasiness. But all these are passing features of the situation. I am quite confident these things will pass away and in proportion as we put forth greater efforts, in that proportion shall success be achieved by us. Our cause is a cause for which every one of us can do something. Those who have money can give funds; those that have leisure can give time; those that have ability can devote, can contribute to the formation of public opinion on different questions. Young men might come forward to take up the work of missionaries in connection with this cause. There is a great deal of quiet work to be done for which we want young men, who will be willing to take their instructions from their elders,

willing to go among the public, without noise or fuss, not anxious to address meetings but willing and content to do quiet work. If we all recognise our respective duties in this spirit, we shall be able to turn our present efforts into a great, rousing movement for the political emancipation of this land. In the presence of such a movement all our petty personal differences will sink, all our squabbles will vanish, our faith will shine radiantly, sacrifices will be made to the extent they are necessary and the country will march onwards, will press onwards to the realisation of that destiny of which we should dream by night and on which we should muse by day.

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## THE SERVANTS OF INDIA SOCIETY.

*[The following is the Constitution of the Servants of India Society founded by Mr. G. K. Gokhale, C. I. E., at Poona, on the 12th June 1905.]*

For some time past, the conviction has been forcing itself on many earnest and thoughtful minds that a stage has been reached in the work of nation-building in India, when, for further progress, the devoted labour of a specially trained agency, applying itself to the task in a true missionary spirit, are required. The work that has been accomplished so far has indeed been of the highest value. The growth during the last fifty years of a feeling of common nationality, based upon common traditions and ties, common hopes and aspirations, and even common disabilities, has been most striking. The fact that we are Indians first and Hindus, Mahomdeans, Parsees or Christians afterwards, is being realised in a steadily increasing measure, and the idea of a united and renovated India, matching onwards to a place among the nations of the world, worthy of her great past, is no longer a mere idle dream of a few imaginative minds, but is the definitely accepted creed of those who form the brain of the community—the educated classes of the country. A creditable beginning has already been made in matters of education and of local self-government; and all classes of the people are slowly but steadily coming under the influence of liberal ideas. The claims of public life are every day receiving wider recognition, and attachment to the land of our birth is growing into a strong and deeply cherished passion of the heart. The annual meetings of Congresses and Conferences, the work of public bodies and associations, the writings in the columns of the Indian Press—all bear witness to the new life that is coursing in the veins of the people. The results achieved so far are undoubtedly most gratifying, but they only mean that the jungle has been cleared and the foundations laid. The great work of

rearing the superstructure has yet to be taken in hand and the situation demands on the part of workers devotion and sacrifices proportionate to the magnitude of the task.

The Servants of India Society has been established to meet in some measure these requirements of the situation. Its members frankly accept the British connection as ordained, in the inscrutable dispensation of Providence, for India's good. Self-Government within the Empire for their country and a higher life generally for their countrymen is their goal. This goal, they recognise, cannot be attained without years of earnest and patient effort and sacrifices worthy of the cause. Much of the work must be directed toward building up in the country a higher type of character and capacity than is generally available at present and the advance can only be slow. Moreover, the path is beset with great difficulties; there will be constant temptations to turn back; bitter disappointments will repeatedly try the faith of those who have put their hand to the work. But the weary toil can have but one end, if only the workers grow not faint-hearted on the way. One essential condition of success in this work is that a sufficient number of our countrymen must now come forward to devote themselves to the cause in the spirit in which religious work is undertaken. Public life must be spiritualized. Love of country must so fill the heart that all else shall appear as of little moment by its side. A fervent patriotism which rejoices at every opportunity of sacrifice for the motherland, a dauntless heart which refuses to be turned back from its object by difficulty or danger, a deep faith in the purpose of Providence which nothing can shake—equipped with these, the worker must start on his mission and reverently seek the joy which comes of spending oneself in the service of one's country.

The Servants of India Society will train men prepared to devote their lives to the cause of the country in a religious spirit, and will seek to promote, by all constitutional means, the national interests of the Indian people. Its members will direct their efforts principally

towards (1) creating among the people, by example and by precept, a deep and passionate love of the motherland, seeking its highest fulfilment in service and sacrifice; (2) organising the work of political education and agitation, basing it on a careful study of public questions, and strengthening generally the public life of the country; (3) promoting relations of cordial goodwill and co-operation among the different communities; (4) assisting educational movements, especially those for the education of women, the education of backward classes and industrial and scientific education; (5) helping forward the industrial development of the country; and (6) the elevation of the depressed classes. The headquarters of the Society will be at Poona, where it will maintain a Home for its members, and, attached to it, a Library for the study of subjects bearing on its work. The following constitution has been adopted for the Society :—

1. The Society shall be called "The Servants of India Society."

2. The objects of the Society are to train national missionaries for the service of India and to promote by all constitutional means, the true interests of the Indian people.

3. The Society will consist of, (a) a First Member or President, (b) Ordinary Members, and (c) Members under training.

4. The First Member or President will be the Head of the Society.

5. Every member, on admission, shall undergo a special training for a period of five years. During this period, he will be known as a 'Member under training.' When a member has completed his five years' discipline, he will be styled an 'Ordinary Member' of the Society.

6. Subject to rules 12 and 13, every member of the Society shall be a member for life.

7. The affairs of the Society will be managed, in accordance with bye-laws framed for the purpose, by the

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First Member or President assisted by a council of three Ordinary Members, who shall be elected by the Ordinary Members of the Society. Every year one member of the Council, whose name shall be drawn by lot, shall retire; but he will be eligible for re-election.

8. No person will be admitted as a member of the Society, unless his admission is recommended by the Council and the recommendation accepted by the First Member or President.

9. Every member at the time of admission shall take the following seven vows:—

(i) That the country will always be the first in his thoughts and he will give to her service the best that is in him.

(ii) That in serving the country he will seek no personal advantage for himself.

(iii) That he will regard all Indians as brothers and will work for the advancement of all, without distinction of caste or creed.

(iv) That he will be content with such provision for himself and his family, if he has any, as the Society may be able to make. He will devote no part of his energies to earning money for himself.

(v) That he will lead a pure personal life.

(vi) That he will engage in no personal quarrel with any one.

(vii) That he will always keep in view the aims of the Society and watch over its interests with the utmost zeal, doing all he can to advance its work. He will never do anything which is inconsistent with the objects of the Society.

10. Every member under training shall, during the time that he is under training, place himself under the entire guidance and control of the First Member or President

and shall do such work and devote himself to such studies as the First Member or President may direct.

11. An Ordinary Member may be sent by the First Member or President and Council to any part of India on special duty or for general work in connection with the Society. He will be bound to do the work assigned to him under the general direction of the First Member or President and Council, and will obey all orders and instructions that may be received from them.

12. The Society may release a member from his vows and permit him to resign his membership on the ground of continued ill-health or for other sufficient cause on a recommendation to that effect being made by the Council, with the concurrence of not less than three-fourths of the members of the Society, and the recommendation being accepted by the First Member or President.

13. The Society may remove the name of any member from its roll of members on a recommendation to that effect being made by the Council, with the concurrence of not less than three-fourths of the members of the Society, and the recommendation being accepted by the First Member or President.

14. The First Member will hold office for life.

It will be the duty of the First Member to recommend in writing to the Council the names of three Ordinary Members, out of whom the members of the Society shall elect a successor to him as First Member on a vacancy occurring. If no such recommendation has been received by the Council when the vacancy occurs, the members of the Society may elect any Ordinary Member, or, in the absence of a suitable Ordinary Member, any member to succeed as First Member.

In case, however, it appears undesirable to elect any member as First Member, the members may elect one of their number to be President of the Society for a period of three years.

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15. When a vacancy occurs in the First Membership or Presidentship of the Society, the Council for the time being shall exercise all the powers vested by the rules in the First Member or President singly or the First Member or President and Council until such time as a new First Member or President is duly elected; and any act done by the Council, during such time shall be deemed valid, provided that the Council takes steps with all reasonable despatch to arrange for the election of a new First Member or President under rule 14.

16. In special circumstances, the First Member or President and Council may exempt, for reasons to be recorded in writing, any member of the Society from the operation of any rule, save rule No. 9.

17. An applicant for membership may be required to pass through a period of probation before admission as a member and may, in that case, be enrolled as a Probationer on such terms and for such period as the First Member or President and Council may determine.

18. The First Member or President and Council may remove the name of any Probationer from the list of Probationers before the expiry of the period of probation. The Society will not be bound to disclose the reasons for such removal.

19. The First Member or President and Council may admit any person, who in their opinion is capable of being trained to assist efficiently members of the Society in their work and who is prepared to devote his life to such work, as a Permanent Assistant of the Society, on such terms as the First Member or President and Council may determine. Permanent Assistants will be divided into two classes—Senior and Junior—according to their educational and other qualifications.

20. A Permanent Assistant may, on grounds of special fitness and after a period of approved service of not less than three years, be admitted as a member of the Society.



21. The First Member or President and Council may remove the name of any Permanent Assistant from the list of Permanent Assistants of the Society. The Society will not be bound to disclose the reasons for such removal.

22. The First Member or President and Council may admit any person, who is in full sympathy with the objects of the Society and is prepared to devote his life to such work as may be assigned to him for the benefit of the Society, as an Attaché of the Society on such terms and under such control as the First Member or President and Council may determine.

23. The First Member or President and Council may remove the name of any Attaché from the list of Attachés of the Society. The Society will not be bound to disclose the reasons for such removal.

24. The First Member or President and Council may enrol any person, who is in full sympathy with its objects and who is prepared to devote a portion of his time and resources to the furtherance of its work, as an Associate of the Society.

25. Probationers, Permanent Assistants, Attachés and Associates will have no voice in the management of the affairs of the Society and no interest in the Society's property or funds.

26. All property of the Society shall belong to the Society in its corporate character, and no member, in his individual capacity, nor the heirs, executors or assignees of any member shall have any right to any portion of it.

27. The property of the Society shall be held by three trustees, one of whom shall be the First Member or President for the time being and the other two, such Members as may be elected by the Members of the Society for the purpose.

28. All contracts, entered into for and on behalf of the Society, shall be in the name of the First Member or

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President. In all suits brought by or against the Society, the Society shall be represented by the First Member or President.

29. The Society shall not be dissolved by the death, secession or removal of any member.

30. The First Member or President may, with the concurrence of a majority of the Ordinary Members of the Society, make, alter or rescind, any bye-laws for (1) the management of the affairs of the Society and the conduct of its business; (2) the custody, disposal and control of the funds of the Society; (3) the provision to be made for members of the Society and their families and the grant of special allowances to them in special circumstances; (4) the grant of leave to members of the Society; (5) the grant of allowances to Permanent Assistants and Attachés of the Society; and (6) the carrying out in other ways of the objects of the Society.

31. The first Member or President and Council shall have the power to take whatever steps may be deemed necessary in the interest of the Society, provided that they are not inconsistent with the objects of the Society or with the provisions or spirit of any of the rules or bye-laws at the time in force.

32. No alteration shall be made in this constitution, unless it is recommended by the Council with the concurrence of not less than three-fourths of the members of the Society, and the recommendation accepted by the First Member or President.

The following Bye-Laws have been made under rule 30 :—

(1) The Society shall, as circumstances permit, establish Branches for work in different parts of the country. At the head of each Branch there shall be a Senior Member whose appointment and removal shall vest in the First Member or President and Council. The affairs of each Branch shall be managed by a Board consisting of the Senior Member and the Ordinary Members belonging to it.

(2) (a) Every Member under training will be granted an allowance of Rs. 30 a month for the first two years of his training and Rs. 35 for the next three.

(b) Every Ordinary Member will be granted an allowance of Rs. 55 a month for the first five years, Rs. 60 for the next five years and Rs. 65 afterwards.

(c) All Members, whether under training or Ordinary will be granted a personal allowance of Rs. 10 per month in addition to the allowances mentioned above.

(d) The Senior Member of a Branch will be granted a special allowance of Rs. 10 a month.

(e) A rent allowance, not exceeding Rs. 15 a month in Bombay and Rs. 10 elsewhere, or the actual rent paid if less, will be granted to Ordinary Members, in case there are no quarters available on the premises of the Society.

(f) The allowance of Junior Permanent Assistants will be Rs. 15 to Rs. 20 and that of Senior Permanent Assistants Rs. 20 to Rs. 30 per month.

(3) (a) A Member under training is entitled to two months' leave every year, which can be granted by the First Member or President, and, if the applicant is attached to a Branch the Senior Member of that Branch.

(b) Ordinary Members are entitled to a month's leave every year, which can be granted by the First Member or President, and, if the applicant is attached to a Branch, the Senior Member of that Branch.

(c) Ordinary Members of the Central Provinces and Berar are entitled to one month and ten days' privilege leave if they go on leave on the 1st of May.

(d) All members are entitled to twenty days' casual leave in a year.

(e) Both casual and privilege leave mentioned above will only be sanctioned if the work of the Society permits.

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(4) (a) The life of every member will, on admission, be assured by the Society, in favour of the First Member or the President for the time being, for a sum of Rs. 3,000 payable at death. If no Insurance Company accepts the life of any member for assurance, the First Member or President and Council may make such other arrangement as they deem fit to secure, in the case of such member, the object of this Bye-Law.

(b) On the death of a member, whose life has been assured, the First Member or the President shall pay the amount recovered on the life-policy of the deceased to such member or members of his family as the deceased member may, by will or otherwise in writing, have directed. In the absence of such direction, the First Member or the President and Council shall have the power to determine whether the amount recovered may be paid to any member or members of the deceased's family, and if so, to whom.

(5) The First Member or President and Council may grant, in special circumstances, a special allowance to a member, suited to the requirements of his case.

(6) If a member secedes from the Society he and his family shall forfeit all claim to the benefit secured to him or them under these Bye-Laws.

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## ENGLAND'S DUTY TO INDIA.

*[The following is the full text of the speech delivered by the Hon. Mr. Gokhale at the National Liberal Club, London :—]*

Sir Henry Cotton, Ladies and Gentlemen,—I feel very grateful to the Political Committee of the National Liberal Club for their kind invitation to me to address them this evening on the subject of India. Political reformers in India are, in one sense, the natural allies of the Liberal Party in England; for we, in India, are struggling to assert in our own country those very principles which are now the accepted creed of the Liberal Party in England. Peace, retrenchment and reform are our watch-words, as they are yours. We are like you seeking to throw open to the unprivileged many the advantages which at present are a monopoly of the privileged few; and we are fighting against the predominance of the interests of a class over those of the mass of the people. It is true that I use the word 'allies' only in a limited sense—in the sense of parties that have a common aim, even though they do not take joint or common action in pursuing that aim. And I recognize that, as things are, we can't claim to be allies of the Liberal Party in any fuller sense of the term, for the simple reason that we have nothing to offer the Liberal Party in return for what it can do for us, except the gratitude and attachment of a helpless people, and this may not count for much in the eyes of many. However, of one thing I am certain—that we are entitled to look for sympathy and support from the Liberal Party when we address our appeal to that party for a large and steadily increasing measure of self-government being conceded to the people of India. Ladies and gentlemen, it is now, roughly speaking, a hundred years since the destinies of India and England came to be linked together. How we came under your rule is a question into which no

useful purpose will be served by enquiring on an occasion like this. But two things I wish to say for my countrymen. First, that because we came under the rule of foreigners, it does not mean that we are like some savage or semi-civilized people whom you have subjugated. The people of India are an ancient race who had attained a high degree of civilization long before the ancestors of European nations understood what civilization was. India has been the birth-place of great religions. She was also the cradle and long the home of literature and philosophy, of science and arts. But God does not give everything to every people, and India in the past was not known for that love of liberty and that appreciation of free institutions which one finds to be so striking a characteristic of the West. Secondly, because the Indians are under the rule of foreigners, it does not follow that they are lacking in what is called the martial spirit; for some of the best troops that fight the battles of the Empire to-day are drawn from the Indians themselves. I mention these two things because I want you to recognize that though we have lost our independence, we have not, on that account, quite forfeited our title to the respect and consideration of civilized people. Your earlier race of statesmen, indeed, never failed to recognize this freely. They perceived the finger of Providence in the succession of events which ultimately set a small island at one end of the world to rule over a great country at another end of the world; and they were quite sincere when they stated that they regarded India as a solemn trust and that they would administer the country in the spirit in which all trust ought to be administered, *i.e.*, with the sole object of promoting the best interests of the Indians themselves. Well, a hundred years have now elapsed since then and no one can charge us with being in a hurry to pronounce an opinion, if we now pass under review the results of your hundred years' rule in India. The first task that confronted your statesmen in India was naturally the consolidation of your rule, and this they proceeded to effect by introducing into that country the appliances of your material civilization and by elaborating there an administrative machinery conforming to the type that prevails in the

west. And, on the whole, this work has been extremely well done. The country is now covered with Railways and Post Offices and Telegraphs. Peace and order reign throughout the land. Justice, though costly, is fairly administered as between Indian and Indian, though, when it comes to be a matter between Indian and Englishman, it is another story. Of course, the machinery of administration that has been evolved is by no means perfect—there are obvious defects of a serious character which need not be there—but, on the whole, I repeat, this part of your work has been extremely well done and you are entitled to regard it with a just sense of satisfaction. Side by side with consolidation, your statesmen had to undertake another work—that of conciliation. And this work of reconciling the people of India to the rule of foreigners—a difficult and delicate task—has also been satisfactorily accomplished. This result has been achieved by the Parliament and the Sovereign of England enunciating a noble policy towards India and by the introduction into that country of what is known as Western education—the same kind of education that is given to your youths in your schools and colleges—an education that, among other things, inspires one with a love of free institutions. Three-quarters of a century ago, your Parliament passed an Act, known as the Charter Act of 1833, laying down the principles on which the government of India was to be based. And twenty-five years later, the late Queen addressed a Proclamation to the people of India reiterating the same policy. The Charter Act of 1833 and the Proclamation of 1858 pledge the word of your Parliament and your Sovereign to the people of India—and these are the only two authorities that can speak in your name—that the sole aim of British rule in India is the promotion of the interests of the Indian people and that, in the government of the country, there would be equality for the two races, no disability of any kind being imposed on any one by reason merely of race or colour or creed. A policy so enunciated was bound to win all hearts and it went a long way to reconcile the people of India to your rule. Along with this enunciation of the principles of your government, came the opening of schools and colleges

such as you have in your own country, and it is a remarkable fact that the three older Universities of India were established almost during the dark days of the Mutiny. Be it remembered, also, that the gates of Western knowledge were thrown open to us with a clear anticipation of the results that were likely to follow; and in a well-known speech Lord Macaulay used memorable language in this connection. He observed that it was, perhaps, inevitable that the people of India, having been brought up in Western knowledge, would in course of time demand European institutions in the government of their country, and he said :—

Whether such a day will ever come I know not; but never will I attempt to avert or retard it. Whenever it comes, it will be the proudest day in English history.

Thus you declared policy towards India and the introduction of Western education, joined to your higher Western standards of government, effected the work of conciliation in a satisfactory manner, and twenty years ago, an Englishman going out to India would have found on every side a frank acceptance by the people of British rule as their national rule, as they then fully believed that, under that rule, they would be allowed to work out their own salvation and eventually attain the colonial type of government—so that they could remain within your Empire and yet have a position worthy of their self-respect. And if to-day this faith has been seriously weakened, it is because your statesmen have now been hesitating at the third stage that has become inevitable after consolidation and conciliation—the stage of reconstruction. When you first started your work in India, when Western standards of administration had to be introduced into the country and there was no Western education to enable us to understand those standards, it was, perhaps, indispensable that all power should be lodged in the hands of a few English officials. But now that the schools and colleges and universities have been doing their work for half a century and more, and when a large and steadily increasing class of men educated after the Western model—a class qualified and anxious to take part in the administration of the country—has come into existence,



you must reconstruct the foundations of your rule so as to find room for these men inside the administration, if the pledges given in your name are intended to be redeemed. Unfortunately it is here that the statesmen responsible for the government of India are hesitating, with results which already threaten to be disastrous. Twenty-five years ago, indeed, a noble attempt was made by a great Englishman, who went out to rule there as Viceroy, at such reconstruction and his name is cherished to the present day with feelings of the deepest affection and gratitude throughout India. Lord Ripon—that is that Viceroy's name—strove hard and manfully for five years to liberalise the foundations of British rule in India and introduce, to some extent, those changes in the administration of the country which the people had been led to expect and which the spread of Western education among them had rendered inevitable. He gave the country a little local self-government; he gave an important stimulus to education; and he tried to remove some of those glaring inequalities between the Indian and the Englishman which at present prevail in that country. What was the result? He exposed himself to such fierce persecution at the hands of his own countrymen in India, that no successor of his has ventured to repeat his experiment. Not only that; during the last few years, a reactionary policy has been pursued towards the educated class of the country and this reaction has taken the form of active repression during the last three years of Lord Curzon's administration. Now, I want you to see that such repression can never succeed. According to the last census, there are a million men in India to-day who have come under the influence of some sort of English education. You cannot hope to keep this large and growing class shut out completely from power, as at present. Even if it were possible to perpetuate the present monopoly of power by the bureaucracy, your national honour demands that such an attempt should not be made. But it is not possible, and any attempt to achieve the impossible can only end in disaster. Already great harm has been done. The faith of my countrymen in British rule, so strong at one time, has been seriously weakened and large numbers of young men are coming forward who do not believe in it

at all. The situation is one that must fill all thoughtful minds with serious apprehensions about the future, and unless you here realize it properly, it is difficult to see how it is to mend.

Ladies and gentlemen, I have admitted that your countrymen are entitled to great credit for having introduced into an Oriental country the Western type of the machinery of administration. But, after all, such machinery is a means to an end—it is not the end in itself. It is, therefore, necessary to consider how far the best interests—material and moral—of the people of India have been promoted by your administration during the last hundred years. This, in reality, is the main test—I had almost said the supreme test. If the results, judged by this test, were satisfactory, however much one might object on principle to the present form of government maintained in India, there would be something to be said in its favour. If, on the other hand, these results are found to be on the whole unsatisfactory, for the sake of your national honour as also in the interests of the Indian people themselves, a reconsideration of the existing arrangements becomes necessary. Let us first consider the moral results. These, it will be found, are of a mixed character. There is a great deal in them which you may regard with satisfaction and even pride. The blessings of peace, the establishment of law and order, the introduction of Western education, and the freedom of speech and the appreciation of liberal institutions that have followed in its wake—all these are things that stand to the credit of your rule. On the other hand, there are great evils too, and of these none, to my mind, is so great as the continuous dwarfing or stunting of our race that is taking place under your rule. Our rigorous exclusion from all power and all positions of trust and responsibility, on a scale never before attempted in the history of humanity, involving, as it does, an enforced disuse of our national abilities—is leading to a steady deterioration of our race, and this, I venture to think, is a cruel, an iniquitous wrong you are inflicting upon us. According to a Parliamentary return published in 1892, there are in India altogether about

2,400 officers carrying a salary of £700 and upwards, and of these only about 60 are held by Indians, and even most of these are of a comparatively low level. Another great evil is indicated by the present political status of the Indian people. All the three hundred millions of them put together have not got, under the constitution, as much power as a single elector in England to affect the position of the Government. Then the entire population is kept disarmed and as though it was not enough humiliation to the Indians to be deprived thus of their natural right to bear arms in defence of their hearths and homes, England has recently entered into an alliance with another Oriental nation—a nation that has borrowed much in the past from India—to repel foreign aggression on the borders of India and, incidentally, to perpetuate the present state of bondage for the Indians themselves. This is our position in our own country. If we go to your self-governing Colonies like Natal, we are treated as outside the pale of civilisation, and they object to our walking on the foot-paths, or travelling in first-class carriages, or in seeking accommodation at hotels! In Crown Colonies like the Transvaal, our humiliation is even more complete. Among the reasons for which you went to war with those two Boer Republics, wiping them, in the end, out of existence, you made rather prominent mention of certain ordinances which the Boer Governments had promulgated against the Indians residing within their territories. But though these ordinances existed on paper in the time of the Boer Republics, they never were actually enforced, because those Governments were afraid of the mighty arm of England that they thought was behind the Indians. But now that the territories have become Crown Colonies, and are under the control of the English Colonial Office, these same ordinances, incredible as it may seem, are being rigorously enforced against us. If this is our position in your Empire after our having been a hundred years under your rule, I am sure no one will pretend that the moral results of your rule may be regarded with satisfaction. Let us now turn to the material results, and here, I am sorry to say, the verdict is even more emphatic against your rule. I firmly believe, and I say this after a careful study of about

twenty years of the question, that the economic results of British rule in India have been absolutely disastrous. That the mass of the people in India are at present sunk in frightful poverty is now admitted by all, including the most inveterate official optimist. A few facts, however, may be mentioned to bring this home clearly to your minds. Your average annual income has been estimated at about £42 per head. Ours, according to official estimates, is about £2 per head and according to non-official estimates, only a little more than £1 per head. Your imports per head are about £13; ours about 5s. per head. The total deposits in your Postal Savings Bank amount to 148 million sterling and you have in addition in the Trustees' Savings Banks about 52 million sterling. Our Postal Savings Bank deposits, with a population seven times as large as yours, are only about 7 million sterling and even of this a little over one-tenth is held by Europeans. Your total paid-up capital of joint-stock companies is about 1,900 million sterling. Ours is not quite 26 million sterling and the greater part of this again is European. Four-fifths of our people are dependent upon agriculture and agriculture has been for some time steadily deteriorating. Indian agriculturists are too poor and are, moreover, too heavily indebted to be able to apply any capital to land, and the result is that over the greater part of India agriculture is, as Sir James Caird pointed out more than twenty-five years ago, only a process of exhaustion of the soil. The yield per acre is steadily diminishing, being now only about 8 to 9 bushels an acre against about 30 bushels here in England; the losses of the agricultural community during the famines of the last eight years in crops and cattle have, according to a competent Commission, amounted to 200 million sterling. Forty millions of people, according to one great Anglo-Indian authority—Sir William Hunter—pass through life with only one meal a day. According to another authority—Sir Charles Elliot—seventy millions of people in India do not know what it is to have their hunger fully satisfied, even once in the whole course of the year. The poverty of the people of India thus considered by itself, is truly appalling. And if this is the state of things after a hundred years of your rule, you

cannot claim that your principal aim in India has been the promotion of the interests of the Indian people. But this is not all. I think there is ample evidence to show that even this deplorable condition of the mass of people in India has been further deteriorating steadily. Thus famines are growing more frequent, their extent is larger and the suffering they occasion more acute and widespread. Then during the last seven years, the plague has been ravaging the country in addition to famines. Now to those who consider the matter superficially, the plague may appear to be only a Providential scourge. But it really carries away hundreds of thousands of people, because, owing to constant under-feeding, the people have not got the stamina to resist the attacks of plague. Then it will be found that in the last decade of the 19th century, the population in the older provinces of India has been stationary and in some of them it has even declined ! But the most conclusive testimony on this point—a testimony that there is no getting over—is supplied by the death-rate of the country. Let us take the last twenty years—I take this long period of twenty years, because we shall not then be open to the charge that we have only taken a few years rendered abnormal by famine or plague—and to emphasize the situation, let us compare the movement of the death-rate in India with that of the death-rate in England during the same time. Let us divide these twenty years into four periods of five years each—that is the only way to present a fairly reliable generalization—and what do we find ? In the first period of five years, an average annual death-rate was between 24 and 25 per thousand ; yours at that time was about 20 per thousand. In the next five years, ours rose from under 25 to about 28 per thousand. Yours, on the other hand, owing to the greater attention paid to the condition of life of the working classes, fell from 20 to between 18 and 19. In the third period of five years, our death-rate further mounted from 28 to 30 per thousand. Yours again came down from over 18 to about 17. Finally, in the last period, ours went up still higher—from 30 to about 32, while yours has fallen still further from 17 to less than 16. For

the last year it stands according to the Statistical Abstract for British India recently published, at about 35 per thousand. Thus during the last twenty years, while your death-rate has been steadily declining, ours has risen by no less than 10 per. thousand, which on a population of three hundred millions means three million deaths annually more than was the case twenty years ago. Surely this is a frightful sum of human misery and you must find out where the responsibility for it is, for there must be responsibility somewhere. I think I need not say anything more on the subject of the material condition of India. To any one who looks beneath the surface, this fearful impoverishment was bound to result from the peculiar character of British rule. The administration by a foreign agency is so costly and the dominant position of the Englishman's position in every field gives him such an advantage in acquiring wealth in India, that a large drain of wealth has continuously gone on for years and years from India to England. During the last forty years, the net excess of our exports over imports has amounted to about a thousand million pounds. No country—and least of all a poor country like India—can stand so large a drain; and steady impoverishment has been the natural consequence. Well, things cannot go on at this rate for long, and the only remedy for the state of things must be sought in the steady association of the people of India with the administration of their own affairs till at last the colonial type of government is reached. As things are managed at present, the real interests of the people do not occupy the first place nor the second place nor even the third place on the slate of Government. Nearly half the net revenue is eaten up by army charges. Large salaries are paid to English officials and the charge on their account is steadily rising. Nearly one-third of the net revenue is withdrawn from India to be spent in this country for purposes of the Government. Railway extension has taken precedence of irrigation in the past, because English capitalists are interested in the former. The progress of the people is obviously bound up with the spread of primary education—but how little so far has been done may be seen from the fact that, at the present

moment, four villages out of every five are without a school-house and seven children out of eight are growing up in darkness and all the moral helplessness which comes of such darkness. The greatest need of the hour at present in India is industrial education, and yet there is not a single decent technical institute in the whole country. The truth is, there is nobody at present in the Government of India whose interests are permanently identified with those of the people. As long as this state of things continues, it is hopeless to expect that large questions which are urgently pressing for solution and which must be dealt with in a statesmanlike manner with the sole aim of promoting the interests of the people—such as the spread of primary education and of industrial education, the fearful indebtedness of the peasantry and such others—will receive the attention they require.

Ladies and gentlemen, I think I have said enough to establish to you the necessity of reconstructing the present bureaucratic form of administration in India on more liberal lines so as to associate the people of the country with that administration. At present there is no real control on the actions of this bureaucracy anywhere. We in India have, of course, no control whatever. The Secretary of State for India is expected to control the administration generally, but he is a man who has never been to India and has, therefore, no personal knowledge of anything. The constitution, recognizing this disadvantage, has given him a Council of ten members to advise him. But as there is no Indian on this Council, and most members are retired Anglo-Indian officials, the bias of the Council is all in favour of the purely official regime. The Parliament in theory has the power of controlling the Government of India, but the Secretary of State for India, being a member of the Cabinet, can always count on a standing majority to support him and the control of Parliament thus becomes purely nominal. There is thus practically no real control anywhere, and every Liberal must admit that this is a very serious evil. Well, what the people of India ask now is that they themselves may be given an opportunity to exercise some sort of

control over the Government. We recognize the enormous difficulties of the position and we don't ask for democratic institutions at once. Our immediate demands are, in fact, so moderate, that you will, I have no doubt, be astonished at our moderation. Take the Viceroy's Legislative Council in India. It consists of 25 members of whom only 4 are elected Indians. This Council is allowed to discuss the finances of the country one day in the year, but there is, of course, no real discussion and no votes are taken and no amendments allowed to be moved, as the Budget has not to be passed. Well, we ask in the first place, that half the number of this Council should be elected and the other half nominated by Government, the Viceroy, moreover, retaining the power of veto. We further ask that the Budget should be passed formally, and that we should have the right to move amendments, the right for the present being limited to, say, one amendment each member. This is as regards the Viceroy's Council. In the smaller Provincial Councils, we ask for larger opportunities to influence the administration of the finances, as the Provincial Governments deal only with internal affairs. Then we ask that of the ten members of the Secretary of State's Council, at least three should be Indians, so that he should have an opportunity to understand the Indian view of things before he makes up his mind on any question. Finally, we ask that at least half-a-dozen Indians—two for each of the three leading Indian Provinces—should be allowed to sit in the House of Commons. Six in a House of 670 will not introduce any disturbing factor, and we certainly shall not affect the fate of ministries. But, in the first place, such representation will definitely associate us with a body which controls the whole Empire and will thereby raise our status. Secondly, the House will have an opportunity to know first-hand the Indian view of things; and though we may be only six, when we are unanimous, we shall represent a moral force which it will not be easy to ignore. It may be said that if India is allowed representation in the House of Commons the Colonies will ask for the same. But the Colonies have their own Parliaments and the English House of Commons is not expected to exercise any direct



control over their Governments. I may mention that the French Colonies send deputies to the French Chamber. These, ladies and gentlemen, are our immediate demands. Of course, these measures will have to be supplemented by a large amount of decentralization of authority in India, providing checks on the actions of the bureaucracy on the spot. But for this our agitation must be in India and not in England. I trust you are satisfied that we are aiming at nothing revolutionary and that what we are immediately asking for is only a small instalment in the direction of self-government. The time is more than ripe for such an instalment being conceded, and I trust our appeal to the Liberal Party of England for its sympathy and support in the matter will not have been addressed to it in vain.

## INDIAN AFFAIRS

*[On Tuesday, the 15th November 1905, the New Reform Club entertained Mr. Gokhale to a complimentary dinner at the Trocadero Restaurant, London. Sir Henry Cotton presided and proposed the toast of the evening, the health of "Our distinguished guest." The Hon. Mr. Gokhale made the following speech on the occasion :—]*

Sir Henry Cotton, ladies and gentlemen.—It is difficult for me to find words to express in an adequate manner my sense of the great honour which the New Reform Club has done me this evening. I am sure my countrymen in India will be profoundly gratified to read the terms in which the invitation of this Club has been couched. The invitation states that this banquet is intended to be a mark of the Club's sense of the high Imperial responsibility of the people of the United Kingdom for the welfare of their Indian fellow-subjects. It was precisely to rouse the British people to a sense of this responsibility that I was charged by my countrymen to undertake this mission, and I have no doubt they will feel greatly encouraged when they see an important political body like the New Reform Club expressing in so signal a manner their sympathy with our aims and our work. You Sir, and those Englishmen who think with you, very often speak of the awakening of India. To my mind this banquet is a sign, a most gratifying and unmistakable sign, of another awakening—the awakening of England to the claims of India. I think it is time such an awakening took place. It was in 1833 that your Parliament announced to the people of India that the Government of the country would be so conducted that there would be no governing caste in that country, and that the rule would be one of equality for the two races in that land. Three-fourths of a century have since elapsed, and still you not only find a governing caste in that land, but that caste is as

vigorous, as dominant, as exclusive as ever. It was, perhaps, inevitable that in the earlier years of your rule, when an administrative machinery of the Western type had to be introduced into India, that all power should be placed in the hands of English officials, who alone then understood Western standards of government. But now that the schools and colleges and universities have been doing their work for half a century and more, and a large class of educated men have grown up—men qualified to take a part in the government of the country, and desirous of taking such a part—there is no excuse whatever for maintaining the monopoly. For the last twenty years the Indian people have been agitating for a greater voice in the affairs of their country, through the Indian National Congress. The bureaucracy, however, pays little attention to what we say in India, and so my countrymen thought it desirable that an appeal should now be addressed direct to the electors of this country. The natural evils inseparable from a foreign bureaucracy monopolising all power have, during the last ten years, been intensified by the reactionary policy of the Indian Government, and this reaction and repression has been the darkest during the last three years. You, Sir, have said, and I am glad you have said it, that my personal feeling towards Lord Curzon, on whom the chief responsibility for the repression of the last three years mainly rests, is one of respect. That is so. I have been in his Council now for four years. And nobody could come in contact with him without being profoundly impressed by his great ability, his indefatigable energy, high sense of duty, and his devotion to the interests of England as he understands them. Lord Curzon is a brilliant and gifted man, and he has striven hard as he could to promote, according to his lights, the interest of England in India. He has done several things for which he is entitled to great credit, but his main aim has been to strengthen the position of the Englishman in India, and weaken correspondingly the position of the Indian, so as to make it more and more difficult for the latter to urge his claim to that equality which has been promised him by the Parliament and the Sovereign, and which it is his legitimate ambition to attain. You will find—and I am anxious

to be fair to Lord Curzon—that while he has done a great deal of good work in certain directions—giving larger grants to irrigation, to agricultural education, and to primary education, putting down assaults by Europeans on Indians, rousing local governments to greater energy, and so on—where he had to deal with the educated classes of the country and their legitimate position and aspirations, he has been reactionary, and even repressive. And it is this reaction and this repression that has driven my countrymen to a position bordering on despair. Let me explain my meaning to you in a few words. There are four fields in which the educated classes, that is to say, those who have received a Western education—for we have our own Eastern learning, and men who receive that education are among the most learned in certain fields; but I am speaking now of Western education, because that education inspires one with an appreciation of free institutions—there are four fields in which the educated classes have been steadily making their influence felt, and in all those four fields the reactionary policy of recent years has sought to put them back. In the first place, a little local self-government was given us by Lord Ripon, and these educated classes naturally exercise much influence in that limited field. Secondly, they are able to exercise some influence in the spread of higher education. Thirdly, they have a powerful Press, which, in spite of defects inseparable from a state of transition, is steadily gaining in weight and importance, and its influence means the influence of educated Indians. Lastly, a few fairly high offices in the public service are held by Indians—almost everything worth having is monopolised by Englishmen—but a very few offices of some importance are allowed to be held by Indians, and appointments to these offices were hitherto made by means of an open competitive examination, with the result that men of ability who are usually also men of independence, had an opportunity of entering the public service. Now in all these fields, Lord Curzon has put the clock back. Moreover, it is not only his measures, but also the manner in which he has forced them on the country about which my countrymen feel most bitter. I think this has been the result of the limitations imposed upon him.

by his temperament and his training. In Mr. Morely's "Life of Gladstone" one striking expression repeatedly occurs—it is what Mr. Gladstone calls "the profound principle of liberty." Mr. Gladstone says again and again that though Oxford had taught him many things, Oxford did not teach him an appreciation of the profound principle of liberty as a factor of human progress. Well, it seems other Oxford men, too, have not learnt how to appreciate that principle. Lord Curzon is no believer in free institutions, or in national aspirations. I believe if he were allowed a free hand he would hand the people of this country back to the rule of the aristocracy that governed here before 1832. Well, Lord Curzon sees that the educated classes of India are pressing forward more and more to be associated with the government of their own country, and he thinks it is not to the interest of England, as he understands that interest, that this should be so. He therefore has tried to put back these men in every one of the four fields of which I have spoken. He has tried to fetter the Press by his Official Secrets Act. In regard to higher education, he has transferred the control of it to the hands of the officials and of such Indians as will always agree with the officials. Then, as regards the few fairly high offices open to us in our own country, he has abolished competition, and made everything dependent upon the pleasure of the officials, thereby enormously increasing official patronage, and making it more difficult for able and independent Indians to enter the public service of their own country. Lastly, he has tried to take away, especially in Bengal, a portion of that self-government which had been given to the people a quarter of a century ago. As if all this retrogression were not sufficient, he ventured last year, in open Council, to explain away the Queen's Proclamation. Ladies and gentlemen, it is with difficulty that I can speak with due restraint of his offending of this. The Queen's Proclamation has hitherto been regarded, both for its contents and the circumstances connected with the issuing of it, with feelings of gratitude and satisfaction by the people of India. It was issued on the morrow of the dark Mutiny by a Royal woman, in the name of a mighty nation, to a people who had just suffered most dreadful

calamities in their own country. And I think England may well be proud of it for all time. The Proclamation assures the people of India that the Queen considered herself bound to them by the same ties which bound her to her other subjects in the Empire, that the prosperity and happiness of the Indian people was the sole aim of her rule, and that everything in India would be freely and equally open to all without distinction of race, or colour, or creed. It is true that in practice this equality has been a mere legal fiction. But then even as a legal fiction it was a very important thing as laying down in theory the policy of a great nation towards a subject people. Now, Lord Curzon, who dearly loves debating, thought it proper to attack the educated classes in regard to their constant reference to this Proclamation. He said in effect: "You base your claim for equality on the Queen's Proclamation. But what does it promise you? It says that you will have equality when you are 'qualified' for it. Now, here we have certain qualifications which can only be attained by heredity or race. Therefore, as you cannot acquire race, you really cannot have equality with Englishmen in India as long as British rule lasts." Now, apart from the question of your national honour being involved in this—the explaining away of a Sovereign's word—look at the unwisdom, the stupendous unwisdom, of the whole thing—telling the people of India that, unless they were content to remain permanently a subject race in their own country, their interests and those of British rule were not identical. After this, how can any Englishman complain if my countrymen regarded, as they have been latterly regarding, your rule in India as maintained, not to promote their interests, but for a selfish purpose? But Lord Curzon has not stopped even at this. Some time ago he made a speech in Convocation at Calcutta, in which he attacked not only the educated classes of to-day, but also their ancestors, of whom he knows nothing, and the ideals of their race, of which every Indian is justly proud. And then on the top of these things has come the partition of Bengal. Ladies and gentlemen, I don't wish to say anything to-night about the merits of the measure, now that it has been carried out. I regret it profoundly. I think it has been a terrible

mistake and it will take long to undo its evil effects, if ever you are able to undo them. But I want to say a word about the manner in which the measure has been forced on that province. About two years ago Lord Curzon started the idea; and instantly there was strenuous opposition to it throughout the province. About 500 meetings were held in different parts in which the people begged Lord Curzon to leave them alone. For a time nothing more was heard of the proposal, and people thought Lord Curzon had abandoned the partition. A few months ago it was suddenly announced, not only that the partition would take place, but that a much larger scheme than was originally proposed had been sanctioned by the Secretary of State. Now, consider the position. The people had held 500 meetings, they had appealed to the Viceroy, they had appealed to the Secretary of State, they had sent a petition, signed by 60,000 persons, to the British House of Commons; and yet, in spite of all these things, this measure has been forced upon the people. The Lieutenant-Governor of Bengal says that he had consulted his senior officials, as if they were the only people to be consulted in a matter of this kind! No Indians were consulted, not even the men who never take part in politics, who are the friends of Viceroys and the Lieutenant-Governors, heads of distinguished families—not one even of these was consulted; and you find all these men ranged against the partition to day. Now, is this the way British rule is to be maintained in India after a hundred years? It is this which has driven the people of Bengal to the present feeling of despair. The majority of the people there have lost faith in the character of your rule; and that to my mind is a serious situation. Now though the main part of the responsibility for this state of things must rest on Lord Curzon, after all it is your system of administration in India that has enabled him to attempt all this repression. My quarrel, therefore, is less with him personally, or with the officials, than with the system—this bureaucratic system, this monopoly of power by officials. Many of these officials are, no doubt, conscientious men, who are trying to do their duty according to their lights. But I contend that these lights are dim. Their highest idea of

British rule is efficiency. They think that if they give India an efficient administration the whole of their work is discharged. But this really is not the whole duty, nor even the main duty, which England has professed to undertake in India. But you have pledged your word before God and man to so govern India as to enable the Indian people to govern themselves according to the higher standards of the West. If your policy is not directed to this end, I shall consider you have failed. I recognise the enormous difficulties but I say, for one thing, your faces should be set in one direction and one direction only, and there must be no attempt at turning back. Again, even as regards efficiency, my own conviction is that it is impossible for the present system to produce more than a certain very limited amount of efficiency; and that standard has now been already reached. The higher efficiency, which comes of self-government, that you can never secure under a bureaucratic system. There are obvious disadvantages inseparable from the system. I will mention only three of them. In the first place, there is nobody in the Government who is permanently identified with the interests of the people. It is a strongly centralised system, and all initiation of important measures can only come from the centre. The centre, however, consists of men who only hold power for five years, and then come away here. It is impossible for them to study vast and complicated problems affecting three hundred millions of people and attempt to deal with them during their time. And when they come away, other men who take their place have to begin where they did, and are deterred by the same difficulty. The Civil Service, taken as a body, is very strong, but each member of it individually is not important enough, owing to the centralised character of the system, to be able to initiate any large measure. Then, as soon as these men have earned their pension, they return to this country. And thus the knowledge and experience acquired by them at the expense of the country—which might have been useful to the people after their retirement, if they had remained in India—is wholly lost to the country, and this goes on generation after generation. When these men come back



to this country, they get lost in the crowd, their knowledge and experience finding, perhaps, occasional expression in a letter to the newspapers. The result is that large questions affecting the welfare of the people are generally left to themselves—we, who are permanently in India, have no voice in the government, and can initiate nothing—and this is the first disadvantage of the system, even from the standpoint of efficiency. The second disadvantage is that which comes of the exclusion of the educated classes from power. This class is steadily growing, and unless you close your schools, colleges, and universities, it will continue to grow. And with the growth of this class, larger and larger grows the number of men who are discontented with the present state of things. Public opinion is practically limited to these men in the first instance, but what they think to-day the whole country thinks to-morrow. And there is no other public opinion in the country. Now, you never can get much efficiency with the whole country in a discontented frame of mind. Lastly, the officials look at every question from the standpoint of their own power. They jealously guard their own monopoly of power, and subordinate every thing to this consideration. The interests of the services are thus allowed to take precedence of the interests of the people. You thus see the revenue of the country eaten up by the enormous and steadily growing military expenditure, the increasing Home Charges, and the extravagant salaries paid to the English officials, while next to nothing is spent on primary education, and industrial education is absolutely neglected. In the old times, when your rule had to be consolidated, and Western standards had to be introduced into the country, your work was done in a manner which secured the gratitude of the people; but that gratitude is, I fear, now over. The new generation does not know what was done two generations ago. They only know your rules as it now is, and they only see your officials enjoying a monopoly of power and resisting all the legitimate efforts of the people to participate in that power. New generations are thus growing up full of bitterness for the exclusion of which they have every right to complain. They see the marvellous rise of Japan, and

they see that, while in Japan the whole weight of the government has been thrown on the side of popular progress, in India the whole weight of the government has been against popular progress. Now I want you to consider whether such a state of things can be indefinitely prolonged. And, after all, though the bureaucracy actually exercises power, it is on you, the people of this country, that the real responsibility for the government of India rests. I am aware that much good has been done by England in India in certain directions. The Western type of the administrative machinery has been substituted in place of what we once had. The country enjoys now uninterrupted peace and order. Justice, though costly, is fairly dispensed, as between Indian and Indian, though when it comes to be a matter between Indian and Englishman, it is quite another story. Then you have introduced Western education, with freedom of speech and freedom of writing. These are all things that stand to your credit. Side by side with these there have been great evils. One such evil is a steady dwarfing of the race in consequence of its exclusion from power. Our natural abilities, owing to sheer disuse, are growing less and less; and this stunting is, in my opinion, an enormous evil. Another evil is economic, and there I hold strongly British rule has produced disastrous results. On this point, I claim some right to speak, for I have been studying this phase of the question for nearly twenty years now. Now, as a temporary necessity of a state of transition, even these great evils might be borne, though they are undoubtedly most serious. But when your bureaucracy attempts to make the present arrangements permanent, the position is simply impossible. The only solution that is possible—a solution demanded alike by our interests and by your interests, as also by your national honour—is the steady introduction of self-government in India. Substituting the Indian for the English agency, expanding and reforming the Legislative Councils till they become in reality true controlling bodies, and letting the people generally manage their own affairs themselves. The task, though difficult, is not impossible. What is needed is large statesmanship and a resolute determination to see to it that the pledges given to the

people of India are redeemed within a reasonable span of time. The bureaucracy, no doubt, will not like to part with power, and will do everything it can to thwart this consummation. But, after all, they are only the servants of the British people, and when you have definitely made up your minds they will be bound to carry out your policy. I appeal to you, ladies and gentlemen, to realise the great responsibility that rests on you in this matter. Already the difficulties have been gravely aggravated, and unless radical remedies are applied at once, everything might be too late. I earnestly trust that you will be guided aright in your judgment, and in that faith I have addressed you to-night. Ladies and gentlemen, I thank you most sincerely for the great honour you have done me to-night.

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## THE WORK BEFORE US.

*[The following speech was delivered by the Hon. Mr. Gokhale at a public meeting in Allahabad on 4th February 1907, with Pundit Motilal Nehru in the chair :—]*

Mr. Gokhale began by thanking the audience for the cordial reception which they had given him. That was not his first visit to Allahabad. He had been there twice before and he could well recall the impression which the city first made on him—how he was filled with feelings of rapture and of awe at the sight of the two great rivers which have for ages meant so much to every Hindu—the holy Ganges and the noble Jumna—and how he gazed and gazed on their wonderful confluence, as though rooted to the spot, his mind sweeping back all the time over the chequered past of the ancient land, her glories and misfortunes, the faiths, the hopes, the achievements, the trials of their race. That was seventeen years ago and since then the name of Allahabad had moved him strangely—had stirred within him emotions which it was a privilege to feel. They could imagine, therefore, with what pleasure he visited the city again and how grateful he felt to them for the opportunity they had given him to meet them there that evening.

The question of questions that was engaging their minds at that moment was that of their present political condition and their future ; and Mr. Gokhale proposed to speak to them that day of the work that lay before them and must be done, if ever their aspiration to achieve political freedom for themselves was to be realised. "There is no doubt," he said, "that the present is a most important juncture in the affairs of our country—one of those decisive moments when the mind of the people is about to take a great step forward and when a right judgment means so much new strength added to the nation and a wrong judgment is fraught with consequences far graver

than on other occasions. In several respects the situation is one which every lover of the country will regard with deep satisfaction. The new century has begun well for the East. We have seen a great drama enacted before our eyes, which is exercising a profound influence over the relations between the East and the West. The very air around us is charged with new thought-currents. A new consciousness of power is stirring within us—a new meaning of our existence is breaking upon our mind. Lord Curzon's repressive measures have only proved a blessing in disguise. The rapid growth of the Swadeshi sentiment all over the country—and Swadeshim at its highest means a fervent, passionate, all-embracing love of the motherland—must make every true Indian heart glow with pleasure and pride; and altogether we seem to see the first faint streaks of a new dawn which, in God's Providence, must in course of time grow into the perfect day. There is thus much in the situation over which the heart most truly rejoices, but let me also say that there are elements present, which give rise to a feeling of anxiety and fill one with a certain amount of misgiving." The speaker, therefore, thought that a useful purpose would be served by reviewing briefly their present position so that they might realize with some clearness what their goal was or should be and how far they had advanced in the direction of that goal.

What were, he asked, the broad features of the situation? They had on one side the bureaucracy, a small body of foreign officials, who held in their hands practically a monopoly of all political power. These men, who had behind them the vast power of a mighty Empire, had built up in the course of a century an elaborate and imposing fabric of their rule in the country and though this fabric was for the most part like a thing outside the people, hardly touching at any point what might be called their inner life, it bore witness to their great powers of organization, their sense of discipline and their great practical capacity, and invested them with a high prestige in the eyes of the people. On the other side they had the vast mass of the people of the country lying inert and apathetic, except when under the sway of a religious impulse, and

only now showing here and there the first signs of a new life, deplorably divided and sub-divided, with hardly any true sense of discipline, plunged in abject poverty and ignorance, and wedded to usages and institutions which, whatever their value for purposes of preservation, were not exactly calculated to promote vigorous, sustained or combined action for purposes of progress. Between the two there stood the educated class with its numbers steadily growing, already exercising extensive influence over the mass of the people and bound by its capacity and education, its knowledge of the needs of the situation, its natural aspirations and its patriotism to lead the people in the new struggle. This class, at one time so well-disposed to British rule, was daily growing more sullen and discontented, resenting the non-fulfilment of solemn promises, feeling keenly the humiliation of its subject position and determined to attain for itself a political status worthy of the self-respect of civilized people. After dwelling on the difficult and complicated nature of the problem which they had to face, the speaker proceeded to consider what should be their goal in the circumstances. "And here at the outset," he said, "let me say that I recognize no limits to my aspiration for our motherland, I want our people to be in their own country what other people are in theirs. I want our men and women, without distinction of caste or creed, to have opportunities to grow to the full height of their stature, unhampered by cramping and unnatural restrictions. I want India to take her proper place among the great nations of the world, politically, industrially, in religion, in literature, in science and in arts. I want all this and feel at the same time that the whole of this aspiration can, in its essence and its reality, be realized within this Empire." The question was one not of what was theoretically perfect, but of what was practically attainable. It was further a question not merely of dreams, but also of muscle and character, of capacity, of organization, of sacrifice. The cases of the French in Canada and the Boers in South Africa showed that there was room in the Empire for a self-respecting India. Some of their friends, appalled by the extreme difficulty of their task and under

the belief that this goal could never be attained, had begun to talk of another goal, even more impossible of attainment. They were like persons who sought to fly from the evils they knew of to those that they knew nothing about. The goal of self-government within the Empire involved a minimum disturbance of existing ideas, and it meant proceeding along lines which they understood, however difficult the progress might be. Such a goal, moreover, enlisted on their side all that was high-minded, freedom-loving and honourable in England—and there was much in that country that was high-minded, freedom-loving and honourable. Despite occasional lapses—and some of them most lamentable lapses—despite prolonged reactions, inevitable in human affairs, the genius of the British people, as revealed in history, as on the whole made for political freedom, for constitutional liberty. It would be madness, it would be folly on their part to throw away in the struggle that lay before them these enormous advantages. He was glad to see that one of the leaders of what was known as the New Party—Mr. Tilak—had stated in a recent issue of his paper that self-government on colonial lines sufficed for him as a thing to work for. Having thus laid down emphatically that the only practical goal before them was self-government within the Empire, Mr. Gokhale proceeded to consider the means by which that goal was to be reached. He could, he said, point out no royal road. A vast amount of work in various fields was necessary, but one thing they must be clear about and that was that, the goal being what it was, their reliance must be on what was called constitutional agitation. The question had often been asked what was constitutional agitation? He would attempt to frame an answer to that question. Constitutional agitation was agitation by methods which they were entitled to adopt to bring about the changes they desired through the action of constituted authorities. Thus defined, the field of constitutional agitation was a very wide one. But there were two essential conditions—one, that the methods adopted were such as they were entitled to employ, and secondly, that the changes desired must be obtained only through the action of constituted

authorities by bringing to bear on them the pressure of public opinion. Now, what were the methods they were entitled to employ? The first idea suggested, on a consideration of the question, was that physical force was excluded. Proceeding with the consideration further, the speaker said that three things were excluded—rebellion, aiding or abetting a foreign invasion, and resort to crime. Roughly speaking, barring these three things, all else was constitutional. No doubt everything that was constitutional was not necessarily wise or expedient. But that was a different matter. Prayers and appeals to justice lay at one end. Passive resistance, including even its extreme form of non-payment of taxes till redress was obtained—lay at the other end. Judged in that light, nothing that was being done at present in the country was unconstitutional, whatever one might think of the way some persons chose to express themselves. Of course, the question of what was wise and expedient and what was unwise and inexpedient was of the utmost importance, but he would revert to that later. As regards the second condition, namely, that redress must be obtained through the constituted authorities, it was clear that that implied constant pressure being brought to bear on the authorities, and the idea that they should have nothing to do with the authorities was one not to be entertained. The pressure exerted undoubtedly depended upon the strength and determination of the public opinion behind it, and the necessity of building up that strength and hardening that determination was obviously paramount. But the idea that they should leave the authorities severely alone and seek to attain their goal independently of them was inadmissible and absurd.

Mr. Gokhale next proceeded to point out that the loose talk in which some people indulged, namely, that constitutional agitation had failed in their country, was unjustified, as they had not yet exhausted even a thousandth part of the possibilities of real constitutional agitation. The work done by the Congress during the last twenty-two years was of great value in nation-building. They must not forget that if one part of their inheritance was a glory for all time, another part of it was a curse.



They had been struggling with increasing success against that curse. The work of the Congress had enabled them to think and feel nationally, had defined their needs, taught them the value of organisation and accustomed them to the duties and burdens of public life. More, no doubt, might have been done, if greater zeal, greater devotion and greater sacrifice had been forthcoming in the service of the cause. But the responsibility for that rested upon all; and, perhaps, it was after all true that there was a time and a tide for everything. The last twenty years had been a period of reaction, not only in India, but also in England. Their inability to obtain certain specific reforms, for which they had been agitating during the time, should not, therefore, be held to establish the futility of their methods. Political privileges could not be had for the mere asking, and they had cost other people prolonged struggles. The moral interest of their struggle would be entirely missed, if they judged of the value of their efforts by tangible immediate results only. The way some of his friends spoke of their disappointments made him almost wish that the few liberties that they enjoyed had not come to them as the spontaneous gift of farsighted statesmen but had had to be struggled for and won by their exertions. Of the authorities on whom they had to bring their pressure to bear, the bureaucracy in India must be expected to be more or less hostile to their aspirations. But the great change that had taken place in England during the last year in the position of parties, the revived fervour for freedom and sympathy for national aspirations which was, at the present moment, so marked a feature of the new House of Commons and of the democracy behind it, meant a strong influence in their favour, though how much they benefitted by it depended largely upon themselves. He had always held that nine-tenths of their work had to be done in this country, where alone the real and enduring strength of the people could be built up. But at the present stage of their progress, an important part of their work lay also in England. By keeping in touch with the democracy, they could prevent the officials in India from going beyond certain limits in the path of repression, and

they could also obtain valuable assistance from that democracy in their present preliminary work of nation-building. The question of universal education in India illustrated, for instance, the speaker's meaning. It was a question primarily of funds. Universal education in India meant an annual expenditure of at least five to six crores of rupees. He did not expect that the bureaucracy, left to itself, would ever care to find that money. It was also not to be expected that private or voluntary effort would be forthcoming to cope with a task of that magnitude. But by bringing the pressure of the British democracy to bear on the authorities, there was every possibility of the question being satisfactorily solved. Of late, there had been a tendency in the country to deprecate the value and importance of individual reforms. But they had to make up their minds about it that it was not through any sudden or violent cataclysm but only by successive steps, each perhaps a small one in itself that their goal was likely to be reached. Conflicting interests had to be reconciled; the advance was on unfamiliar lines and no useful purpose would be served by ignoring obvious limitations.

But, after all, everyone must recognize that their main work was to build up the strength of their own people. That work, roughly speaking, was three-fold. First, the promotion of a closer union among the different sections of the Indian community—between the Hindus and Mahomedans—and among the different sections of the Hindus themselves; secondly, the development of a stronger and higher type of character, firm of purpose, and disciplined in action; and thirdly, the cultivation of an intense feeling of nationality throughout the country rising superior to caste and creed and rejoicing in all sacrifice for the motherland, accompanied by a spread of political education among the masses. The speaker dwelt at some length on the necessity and importance of this three-fold work, observing about the Hindu-Mahomedan problem that it was a most difficult one but it certainly was not insoluble. Higher education was largely doing this work in that matter, but the situation called for the exercise of great tact and great forbearance. And he for one felt hopeful that,

before very long, all that was high-minded and patriotic among their Mahomedan brethren would be ranged on the side of their country without thought of anything else.

The speaker lastly dealt with what he called the new teaching. He had no desire, he said, to engage in any unnecessary controversies. But when their countrymen were being called upon to go in for new methods on the ground that they alone would achieve national salvation, it was incumbent on all workers in the cause of the country to examine the claims made for those methods. They were being told that they should now give up having anything to do with the Government of the country and that by the simple expedient of a universal boycott, they would be able to achieve everything they had in view. Mr. Gokhale proceeded first to consider what might be called the industrial boycott. Most of those, he said, who spoke of boycotting foreign goods, only meant to convey by the word that they wanted to use as far as possible Swadeshi articles only, whatever inconvenience, discomfort or extra expense such a course might cause. Now there was no doubt that that was one way of serving the Swadeshi cause, and for the mass of the people whose wants were simple and who could not directly contribute much to the promotion of new industries, perhaps, the only way. It ensured the consumption of articles produced in the country and stimulated the production of new ones, supporting the industries in their early stages of stress and struggle. In the speaker's opinion, all that was really included in true Swadeshi, which was not merely a pious wish for the industrial prosperity of the country, but implied a voluntary sacrifice according to each man's opportunities for the building up of indigenous industries. But the use of the word boycott to convey this meaning was unfortunate, for boycott really implied a vindictive desire to injure another, even if one had to injure oneself in doing so. This stirred up unnecessary ill-will against the Swadeshi cause and was calculated to pile up unnecessary difficulties in its path. It was no easy task which confronted them, and they needed for its successful accomplishment co-operation from all quarters. Mr. Gokhale mentioned the introduction of

Egyptian cotton by the Bombay Government into Sind and the large possibilities which that opened up before them as an illustration of his meaning. However, he did not wish to lay too much emphasis on that aspect of the question. What he wanted to point out principally was that the exclusion from their markets of foreign goods, of which they imported a hundred crores worth a year at present, was bound to be a slow affair; and that even the attainment of a substantial measure of success in that work, however helpful in increasing our resources, would not much affect the present political domination, which, in certain conceivable circumstances, might then tend to become even harsher. Mr. Gokhale then turned to the general or political boycott that some were advocating. Talking of its practicability, he considered it a preposterous thing that anybody should imagine that such a thing was feasible in the present state of the country. The building up of national schools and colleges all over the country out of private resources, on any scale worth speaking about, would take years and years of time and a tremendous amount of sacrifice on the part of the people, and before anything substantial had been done, to talk of boycotting existing institutions was sheer madness. It should be noted that the more thoughtful advocates of national education urged, not the destruction, but the supplementing of the work done by Government in the field of education. The speaker recognized serious defects existing in the present system, but it had done and was doing much good, and the fostering of the present national spirit was directly its outcome. As regards boycotting Government service, the speaker would not be sorry to see the present scramble for Government employment cease to see, at any rate, that a larger proportion of his educated countrymen struck out independent careers for themselves. They would then have more workers devoted to the service of the country. He himself had been preaching for some time past that a few at least of the young men who left the Universities should give up all thought of personal advancement and devote themselves in a spirit of sacrifice to the service of the motherland. But to talk of a general boycott of Government service in their situation was

ludicrous in the extreme. The attempt at boycott would be felt by the Government, if only the number of men wanted by it for its work failed at any time to come forward. Well, with all respect, he must decline to consider that as a practical proposal. Finally, there was the boycott of honorary offices, such as seats on Local and Municipal Boards and on Legislative Councils. If the present men resigned, enough men would still be forthcoming to take their places, and those who resigned would soon find that they had only thrown away such opportunities as could be had at present of serving the public. They must seek steadily to increase what little powers of administration and control they possessed, and they would be injuring and not advancing the interests they had at heart by the course proposed. The speaker said that they must all resist as much as they could the attempt to shift the foundations of their public life. He would make one suggestion to those who advocated a general boycott as the sole, or indeed any, means of achieving self-government in the present state of India. Non-payment of taxes was the most direct and the most effective form of passive resistance, and it had, moreover, the merit of bringing home to each man the responsibility of his own action. If some of those who were talking of employing passive resistance to achieve self-government at the present stage of the country's progress would adopt that form of passive resistance, they would soon find out where they stood and how far they were supported.

In concluding his address, which had lasted for an hour and a half, Mr. Gokhale exhorted his countrymen to sink small differences and work together whole-heartedly in the service of India. "We cannot," he said, "allow ourselves to be split up into small sections fighting with one another for the sake of petty differences. After all, there is a destiny which is really shaping our ends, and we are all engaged in merely rough-hewing them. Whoever promotes union in the country, whoever preaches Swadeshi, whoever inculcates lessons of self-sacrifice, whoever builds up in any shape or form the strength of the nation—

politically, socially, industrially, morally—he is a fellow-worker, a brother. The struggle before us is a long and a weary one, and while the thought of it should stimulate all our energies, undue impatience will only recoil upon our own heads. Nation-building is nowhere an easy task. In India it is beset with difficulties which are truly formidable and which will tax to the uttermost all our resources, and all our devotion. Let us not forget that we are at a stage of the country's progress when our achievements are bound to be small, and our disappointments frequent and trying. That is the place which it has pleased Providence to assign to us in this struggle, and our responsibility is ended when we have done the work which belongs to that place. It will, no doubt, be given to our countrymen of future generations to serve India by their successes; we, of the present generation, must be content to serve her mainly by our failures. For, hard though it be, out of those failures the strength will come which in the end will accomplish great tasks."

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## THE SWADESHI MOVEMENT.

*[In the second week of February 1907, the Hon. Mr. Gokhale delivered a series of public addresses at Lucknow. The following address, the second of the series, was delivered on 9th February 1907, Raja Rampal Singh being in the chair:—]*

Mr. Chairman, Ladies and Gentlemen,—I propose to speak to you to-day of the economic condition of India and the Swadeshi movement. One of the most gratifying signs of the present times is the rapid growth of the Swadeshi sentiment all over the country during the last two years. I have said more than once here, but I think the idea bears repetition, that Swadeshism at its highest is not merely an industrial movement, but that it affects the whole life of the nation—that Swadeshism at its highest is a deep, passionate, fervent, all-embracing love of the motherland, and that this love seeks to show itself, not in one sphere of activity only, but in all : it invades the whole man, and it will not rest until it has raised the whole man. Now the first thing I want to say about this movement is that it has come here to stay. We often have movements which make a little noise for a time and then disappear without leaving any permanent mark behind. I think it safe to say that the Swadeshi movement is not going to be one of that kind, and my own personal conviction is that in this movement we shall ultimately find the true salvation of India. However, ladies and gentlemen, I do not wish to speak to you to-day about Swadeshism in general. The more immediate question before us is Swadeshism as applied to the present economic situation of India—its scope and character, the materials with which it has to work, and the difficulties it has to overcome before it can achieve in any degree the true industrial regeneration of the country.

Gentlemen, as Mr. Ranade once pointed out, the industrial domination of one people by another attracts much less attention than the political domination of a

foreign people. The industrial domination is less visible and does its work in a more insidious manner. The disadvantages of a political domination lie very much on the surface. We see a foreign race monopolising all power and authority and keeping the people in a state of subjection. These are facts which we observe and feel every day of our lives. Human feelings often matter more to humanity than human interests, and when your feelings are hurt in various directions, as in a state of subjection, they are bound to be—I do not mean to throw any unnecessary blame on any one—their thought fills you night and day and makes you think constantly of the fact that you are living under a foreign domination. On the other hand, the industrial domination of one people by another may come in an attractive garb. If, as has been the case with India, this foreign domination comes in the shape of more finished articles—especially articles that administer to the daily wants of a community—you unconsciously welcome the domination, you fall a victim to its temptations and its attractiveness. And it is only when the evil grows beyond certain limits, that your attention is drawn to it. Now this is precisely what has happened in the case of India. As soon as Western education came to be imparted to the people of this country, their first thoughts were directed to their political status. Of course they also thought of their social institutions. Those who are acquainted with the history of the last fifty years, know that the struggle for political and social reforms started almost simultaneously, but I do not wish to go into that on this occasion. What I want to point out is that the thought of the industrial domination of India by England did not really occur to men's minds at that time. At any rate, it did not occur in that pointed manner in which the thought of political domination did. The result was that the main current of our public activity came to be directed towards the realization of our political aspirations, and about 22 years ago when the Congress came into existence for the political advancement of the people, the question of this industrial domination, though it had struck a few thoughtful minds, did not receive that consideration at the hands of the leaders of the people that it deserved. However, the



industrial problem and its importance are now receiving their due recognition, and to-day at any rate we appear to have gone so far in this direction that there is now the risk of the industrial problem actually throwing into the shade the political problem which, however, to a great extent lies at the root of the industrial problem.

Gentlemen, when we come to this question of India's industrial domination by England, we come to what may be described as the most deplorable result of British rule in this country. In other matters there are things on the credit side and things on the debit side. Take, for instance, the political and administrative results of British rule. We have here the shutting out of a whole race from positions of real trust and responsibility where powers of initiative can be developed, and this is producing disastrous results on the character of the people. We also see that the forcible disarming of a population is bound to crush the manhood of the nation. In these directions we find that a steady deterioration of the race has set in. But there are compensating advantages, and I am not sure that the balance is not on the latter side. Thus, the introduction of Western education, with its liberalising influence, has been a great blessing to the people. We now understand better the necessity of equal treatment for all; we also see that unless the status of woman is raised, man by himself will not be able to advance very far; and altogether this Western education is doing most noble work in the country. Then the British have established, on the whole, equal justice between Indian and Indian—as between European and Indian, that is a different matter—but between Indian and Indian it is equal, though it is costly, and that is more than can be said of previous rulers. Railways, Telegraphs, Post Offices and other modern appliances of material civilization have also been introduced into India by the present rulers, and it is fair to acknowledge that these things have added greatly to the comforts and conveniences of life and are a powerful help to our progress. Lastly, there are the blessings of peace and of order well and firmly established. These are things which must be set against the steady deterioration

of which I have already spoken, and I am not prepared to say that the balance is not, on the whole, on the side of the advantages. But when you come to the industrial field, you find that the results have been disastrous. You find very little here on the credit side and nearly all the entries on the debit side. Now this is a serious statement to make, but I think it can be substantiated. I would ask you, first, to glance at what India was industrially before the English came into this country. It is true that there is very little direct or statistical evidence on this subject. But the statements made by travellers who came to this country supply a fair indication of how things were, though they do not enable us to establish a conclusion accurately or satisfactorily. We find, for instance, praise of India's riches in every place; we find also here and there a description of the poverty of the mass of the people. And, on the whole, I think it is fair to say this—that, compared with other countries, India could not have been worse, and very probably she was better off than most other countries, and I think this description may well apply to her right up to the end of Mahomedan rule. India's reputed wealth was the attracting cause of so many invasions. Large wealth must, therefore, have been accumulated in some hands, and so far as the bulk of the population was concerned, as the land was fertile and the people were industrious and thrifty and, on the whole, free from vices, such as drink, it is fair to conclude that the people must have enjoyed a considerable degree of rude agricultural prosperity. It is not proper to compare the West of to-day, with all its production of machinery and steam, with the India of 200 years ago. Before steam and machinery were employed in the West, the West too was largely agricultural, and she had then no special advantages for the production of wealth over us. And I believe that, judged by the standards of those days, we could not have been poorer, and very probably we were richer than most Western countries. Then there was the excellence of our productions which attracted the attention of Western nations—the fine muslins and many other things exported from this country showed what a high level

of excellence had been reached by our people in industrial production. When the Mahomedan rulers came, they settled in this country, and there was no question of any foreign drain. Things, therefore, must have, on the whole, continued as they had been before their time.

Then we come to British rule. Gentlemen, I refer, on this occasion, to the past only in order that, in the light of it, we might understand the present and derive therefrom guidance and assistance for the future. The early days of the East India Company's rule were as bad as bad could possibly be from the standpoint of India's industrial system. Deliberate steps were taken by the Company to destroy the industries of the people and to make room for Western manufacturers. This has been acknowledged by English writers themselves. This was England's policy, not towards India alone, but towards America and Ireland also. America got rid of it by shaking off England's dominion altogether. Ireland struggled to do the same, but did not succeed. India suffered the worst under the operation of the evil policy. The object aimed at by the East India Company was to reduce India to the level of a merely agricultural country producing raw material only, without factories to manufacture the same. This was the first stage in our industrial decay. The second stage began when England forced on us the policy of free trade, *i.e.*, of leaving the door wide open to the competition of the whole world. England's own policy for centuries had been that of Protection, and by that policy she had built up her vast industrial system. But about sixty years ago, after Protection had done its work, she decided to give up the old policy and adopt Free Trade, mainly to set right the abuses to which Protection had given rise. England depends on foreign countries for most of her raw materials, and she supplies manufactured articles practically to the whole world. It was, therefore, to the advantage of England that there should be no export or import duties, as one result of such duties was to add to the cost of the articles supplied to foreign countries. But forcing this policy of free trade upon a country circumstanced as India was, was a wholly different thing and was bound

to produce results of a most disastrous character. Our things were made with the hand; we did not possess anything like the combination, skill or enterprise of the West. Steam and machinery were unknown in the country. Our industries were, therefore, bound to perish as a result of the shock of this sudden competition to which they were exposed, and as a matter of course the introduction of Free Trade in this country was followed by the rapid destruction of such small industries as had existed in the country, and the people were steadily pressed back more and more on the one resource of agriculture. I should not have deplored even this destruction of our indigenous manufactures if the Government had assisted us in starting others to take their place. The German economist—List—whose work on Political Economy is the best that Indian students can consult, explains how the state can help an old-world agricultural country, suddenly brought within the circle of the world's competition, to build up a new system of industries. He says that the destruction of hand-industries is a necessary stage through which an industrially backward country must pass before she can take rank with those which use steam and machinery and advanced scientific processes and appliances in their industrial production. When hand-made goods are exposed to the competition of machine-made goods, it is inevitable that the former should perish. But when this stage is reached there comes in the duty of the State. The State by a judicious system of protection should then ensure conditions under which new infant industries can grow up. And until the new industries can stand on their own legs, it becomes the duty of the State to have a protective wall around. This is what America—already one of the richest nations in the world, and one which will yet reach the foremost place—has done, and the case is the same with France and Germany. The result of England's policy in India has, however, been to facilitate more and more the imports of foreign commodities, until there is no country on the face of the earth to-day which is so dependent on the foreign producer as India is. At the present moment about 70 per cent. of our exports are raw material raised from

the soil and exported in that condition. If we had the skill, enterprise, capital and organisation to manufacture the greater part of this material, there would be so many industries flourishing in the country. But the material goes out and comes back in the shape of manufactured commodities, having acquired a much higher price in the process of manufacture.

Again, if you look at your imports, you will find that 60 per cent. of them are manufactured goods. They are goods which have been made by other people, so that all you have got to do with them is to consume them. If this was all, if the steady rustication of India—her being steadily pushed back on the one resource of agriculture—was all that we had to deplore as the result of the present policy, the situation, bad enough as it would undoubtedly have been, would not have been so critical. But coupled with political domination, this has produced a state of things which can only be described as intolerable. The total imports of India are worth about 100 crores of rupees every year. Our total exports, on the other hand, amount to about 150 crores a year.

In other words, every year about 100 crores worth of goods come to us, and we part with 150 crores worth of goods. After taking into consideration the precious metals that come into the country to redress a part of the balance, we still find that a loss of about 30 to 40 crores a year has to be borne by India. Now, I will put a simple question to those present here. If a hundred rupees come into your house every month and a hundred and fifty rupees go out, will you be growing richer or poorer? And if this process goes on year after year, decade after decade, what will be your position after a time? This has been the case with India now for many years. Every year between 30 and 40 crores of rupees go out of India never to come back. No country—not even the richest in the world—can stand such a bleeding as this. Bleeding is a strong word, but it was first used with regard to this very process by a great English statesman—the late Lord Salisbury—who was

Prime Minister of England for a long time and was before that Secretary of State for India. Now this bleeding is really at the root of the greater part of the economic mischief that we have to face to-day. It means that this money, which would have been available to the people, if it had remained in this country, as capital for industrial purposes, is lost to us. The result is that there is hardly any capital of our own forthcoming for industrial purposes. Do not be misled by the fact that a few individuals appear to be rich and have a little money to invest. You must compare India in this matter with other countries, and then you will find that there is hardly any capital accumulated by us to be devoted to industrial development. One of the greatest students of Indian Economics—the late Mr. Justice Ranade—once calculated that our annual savings could not be more than 8 to 10 crores of rupees. Put it even at 20 crores; what is that in a vast country like India compared with the hundreds and thousands of crores accumulated annually by the people of the West? This, then, is at the root of our troubles. I do not say that there are no considerations on the other side. It might, for instance, be said that the railways in this country, have been constructed with English capital. About 375 crores have been so far spent to build these railways, and it is only fair that for this capital India should pay a certain sum as interest. Englishmen have also invested British capital in indigo, tea, and other industries. A part of this capital has no doubt come out of their own savings made in this country, but whether the money has been earned here or imported from England, the investors are, of course, entitled to a reasonable rate of interest on it. But after a deduction is made on account of this interest, there still remains a sum of over 30 crores as the net loss that India has to bear year by year. You may ask what politics has got to do with this. Well, the greater part of this loss is due to the unnatural political position of India, and I think we shall not be far wrong if we put the annual drain, due to political causes directly and indirectly, at about 20 crores of rupees. The greater part of the 'Home Charges' of the Government of India, which now stand at

about 18 millions sterling or 27 crores of rupees, comes under this description. To this has to be added a portion at least of the annual savings of European merchants, lawyers, doctors, and such other persons, as the dominant position of the Englishman in the country gives these classes special advantages which their Indian competitors do not enjoy. Then there are the earnings of the English officials and the British troops in the country. And altogether I am convinced that it is not an extravagant estimate to put the annual cost to India of England's political domination at 20 crores of rupees, the remaining ten crores being lost on account of our industrial domination by England.

This, then, is the extent of the 'bleeding' to which we are subjected year after year ! It is an enormous economic evil, and as long as it is not substantially reduced, the prospect cannot be a cheering one. After all, what can you do with a small amount of capital ? You must not be led away by the fact that, from time to time, you hear of a new industrial concern being started here or there. The struggle is a much bigger one than that. It is like the struggle between a dwarf and a giant. If you will form the least idea of the resources of the Western people, then you will understand what a tremendously difficult problem we have to face in this economic field. If this continuous bleeding is to cease, it is incumbent that our men should be employed more and more in the service of the State, so that pensions and furlough charges might be saved to the country. The stores which the Government of India purchases in England should be purchased locally as far as possible. In other directions also our position must be improved. But, I think, we should not be practical, if we did not recognize that any important change in the political relations between England and India could come only gradually. It is not by a sudden and violent movement that relief will come. It will only come as we slowly build up our own strength and bring it to bear upon the Government. As this strength is increased, so will the drain be diminished. The industrial drain—due to the fact that we depend so largely for our

manufactures upon foreign countries—is really speaking but a small part of the drain—about one-third or ten crores of rupees a year. This means that if we ever succeeded in reaching a position of entire self-reliance industrially, it would still leave about two-thirds of the present annual drain untouched. Moreover, such entire dependence upon yourselves for industrial purposes is a dream that is not likely to be realised in the near future. I am sorry I must trouble you with a few figures, but a question of this kind cannot be adequately considered without bringing in statistics. What, then, is the position? India, as you know, is for the most part an agricultural country. Sixty-five per cent. of the population, according to the last census reports—80 per cent. according to the computation of Lord Curzon—depend upon agriculture. The soil is becoming rapidly exhausted and the yield per acre is diminishing. If you compare the yield to-day with what it was in the time of Akbar, as given in the *Ain-i-Akbar*, you will be astonished to see what deterioration has taken place in the soil. This makes agricultural improvement a matter of great difficulty. You have got to abolish old methods as much as possible and effect improvements by introducing the methods of the West. You have got to introduce agricultural science and improved agricultural implements, and the question is complicated by the fact that our agricultural production in this country generally is on what is called a small scale. Land is divided and sub-divided, and most of the holdings are so small as not to lend themselves to the use of advanced appliances. The ignorance and resourcelessness of the people also stand in the way and altogether agricultural improvement is bound to be a matter of slow growth. But this is one direction in which you young men can help the country. Instead of scrambling for Government service or overcrowding the already crowded Bar, let a few at least among you acquire agricultural education abroad, acquaint themselves with the use of advanced agricultural appliances, and then settle down to agricultural work in this country. You will thereby not only improve agriculture for yourselves, but you will also show the way to others, and they will follow when they see the good results obtained



by you. The Government, which, has only recently awakened to its duty in this matter, has already taken agriculture in hand, but the greater part of this work must be done by ourselves. Our next industry, after agriculture, is the textile industry—the cotton industry. Now, taking only the production of mills, we find that last year about one-fourth of what the whole of India needed was produced in India, and three-fourths came from outside. The capital that is invested in this country, in the textile industry is between 16 and 17 crores of rupees. This may seem a large amount to some of you, but what is it compared with the capital invested in this industry in England? In Lancashire alone 300 crores of rupees are invested in this textile industry, and every year the amount is increasing by leaps and bounds. On a rough calculation you will find that if our present production is to be quadrupled, about forty to fifty crores of rupees of additional capital would be wanted. That cannot be a matter of a day. The hand-loom is doing good work and has some future before it. But do not let us be under a delusion. The main part of the work will have to be done by machinery. It is only in this way that we shall be able to stand the competition of producers of other countries. If we are able to find this capital in the course of the next 10 or 15 years, I for one shall be content. My own fear is that it will take more than that. If by the end of ten years we are able to produce all the cotton cloth we require, I think we shall have done exceedingly well. We must all bend our energies in that direction and try to capture or rather recover this field as soon and as completely as possible. But then, gentlemen, I would say this. The task, even under the most favourable circumstances, is a formidable one, and it is in the highest degree unwise to add to its great difficulty by unnecessary, bitter or lamentable controversies. You require for a satisfactory solution of this problem co-operation from all quarters, including the Government of the country. We have to depend, for the present, at any rate, upon foreign countries for our machinery. If, in pursuing our object, care is not taken to avoid causing unnecessary irritation to others, there is

nothing to prevent this Government from hitting back and imposing a heavy tax, say, of 20 or 25 per cent. On machinery, which would practically destroy all our chances of increasing our production of cotton goods. The problem is also largely a problem of the necessary quality of cotton being obtained in this country. At one time India produced very fine cotton and the finest muslins were made of it. Unfortunately the cultivation of that cotton has, in course of time, owing to various causes, been given up and the present cotton is of short staple which gives you only a comparatively coarse thread. Now we know from past experience that this land can grow superior cotton. And the Bombay Government have been for a number of years making experiments to introduce into the country Egyptian cotton, and have at last been able to produce a cross between the Egyptian and the Indian, which has taken root. If all the area irrigated in Sind—the conditions of which are similar to those of Egypt—succeeds in growing this cotton, then the finer fabric problem will have been solved. The co-operation of Government in this matter is thus essential, and those who have occasion to talk of the Swadeshi question should not fail to realize that a great responsibility rests upon them. They only unnecessarily increase the difficulties in our path when they talk as though we could do without Government assistance in the matter; and thereby they damage, without meaning to do so, such chances as exist for real industrial progress. But in the case of this cotton industry, I think the outlook, on the whole, is a most hopeful one.

I turn next to the sugar industry. At one time we exported sugar, but at the present time sugar comes into this country to the amount of 7 crores a year. Foreign Governments have been helping their people with bounties, and they have discovered methods whereby the cost of production has been greatly reduced. We, on the other hand, still adhere to our old-world methods of production. Sugar-cane is plentiful in all parts of India, especially in your province. If we make up our minds to encourage Indian sugar as far as possible, and in this case I am glad to be

able to say "have nothing to do with foreign sugar"—we should be able, with the co-operation of Government, in a brief time to produce all the sugar we want. In this connection I was glad to notice a statement made by your Lieutenant-Governor the other day in the matter. He said he would rejoice if even a single ton of sugar did not come from other countries. By co-operation, therefore, between the people and the Government the sugar problem would be solved practically at once. In Bengal, again, they import a good deal of salt from England though other provinces consume mostly Indian salt. With such a vast sea-board as India possesses, India ought certainly to be able to produce her own salt. Again, about 20 lakhs worth of umbrellas, 50 lakhs worth of matches and 60 lakhs worth of paper come into the country every year from abroad. All these articles are now being produced here, and with a determination on our part to use these articles as much as possible and encourage their production and consumption, we should soon be able to shut out the foreign supply.

But, after all is said and done, I want you to recognise that the possibilities in the near future are not very large. I say this not to damp any one's enthusiasm, because I do want that your enthusiasm should sustain itself at its highest glow in this matter. But remember that the competition before us is like that between a giant and a dwarf. Even if we successfully make up our minds to have nothing to do with foreign goods, even then the industrial salvation of India will not have been accomplished. We are the poorest country in the world at the present moment; England, on the other hand, is the richest. The production per head in India is £2 or Rs. 30 according to Government calculation, and about Rs. 20 according to Indian calculation. England's production per head is £40, *i.e.*, about 20 or 30 times greater than that of this country. Take again the buying power of the people as judged by the imports. In England the average imports per head are about £15 or Rs. 235; in the self-governing colonies of England they are £13; even in Ceylon they are £2 per head; but in India they are only six shillings or 4 to 5

rupees per head. There are other figures equally startling. Take, for instance, the deposits in banks. Of course banking is in a much more backward condition in this country than in England. But even making allowance for that, you will see that the disproportion is very great. The deposits in English banks are about 1,200 crores of rupees for a population of about 4 crores. We are 30 crores and our deposits are only 50 crores for the whole of India, and these deposits include also the amount held by European merchants and traders in the country. Again, take the Savings Banks. In the Savings Banks and Trustees Banks in England there are 300 crores deposited to-day, as against about 12 crores in this country—less than seven annas per head against about Rs. 75 per head in England. You can easily see now how terrible is the disproportion between England's resources and our own. Add to this the fact that machinery has to come from England, and by the time it is set up here, there is already some improvement effected in England. The problem before us is therefore, a vastly difficult one and it is a solemn duty resting upon every one, who is a real well-wisher of the Swadeshi cause, not to add to that difficulty, if he can help it.

Our resources then are small, and our difficulties are enormous. It behoves us, therefore, not to throw away any co-operation from whatever quarter it may be forthcoming. Remember that, though there is a certain scope for small village industries, our main reliance now—exposed as we are to the competition of the whole world—must be on production with the aid of steam and machinery. From this standpoint, what are our principal needs to-day? In the first place, there is general ignorance throughout the country about the industrial condition of the world. Very few of us understand where we are, as compared with others, and why we are where we are and why others are where they are. Secondly, our available capital is small, and it is, moreover, timid. Confidence in one another in the spirit of co-operation for industrial purposes is weak, and joint stock enterprise is, therefore, feeble. Thirdly, there is a lack of facilities for higher

scientific and technical instruction in the country. Lastly, such new articles as we succeed in manufacturing find themselves exposed at once to the competition of the whole world, and as, in the beginning at any rate, they are bound to be somewhat inferior in quality and probably higher in price, it is difficult for them to make their way in the Indian market. Now as our needs are various, so the *Swadeshi* cause requires to be served in a variety of ways, and we should be careful not to quarrel with others, simply because they serve the cause in a different way from our own. Thus, whoever tries to spread in the country a correct knowledge of the industrial conditions of the world and points out how we may ourselves advance, is a promoter of the *Swadeshi* cause. Whoever again contributes capital to be applied to the industrial development of the country must be regarded as a benefactor of the country and a valued supporter of the *Swadeshi* movement. Then those who organise funds for sending Indian students to foreign countries for acquiring industrial or scientific education—and in our present state we must, for some time to come, depend upon foreign countries for such education—or those who proceed to foreign countries for such education and try to start new industries on their return, or those who promote technical, industrial and scientific education in the country itself—all these are noble workers in the *Swadeshi* field. These three ways of serving the *Swadeshi* cause are, however, open to a limited number of persons only. But there is a fourth way, which is open to all of us, and in the case of most, it is, perhaps, the only way in which they can help forward the *Swadeshi* movement. It is to use ourselves, as far as possible, *Swadeshi* articles only and to preach to others that they should do the same. By this we shall ensure the consumption of whatever articles are produced in the country, and we shall stimulate the production of new articles by creating a demand for them. The mass of the people cannot contribute much capital to the industrial development of the country. Neither can they render much assistance in the matter of promoting higher scientific, technical or industrial knowledge among us, but they can all render a most important and a most necessary service to the *Swadeshi*

cause by undergoing a little sacrifice to extend a kind of voluntary protection to *Swadeshi* industries in their early days of stress and struggle. In course of time, the quality of *Swadeshi* articles is bound to improve and their cost of production to become less and less. And it is no merit if you buy them when they can hold their own against foreign articles in quality or price. It is by ensuring the consumption of indigenous articles in their early stage, when their quality is inferior or their price is higher, or when they labour under both these disadvantages, that we can do for our industries what Protectionist Governments have done for theirs by means of State protection. Those, therefore, who go about and preach to the people that they should use, as far as possible, *Swadeshi* articles only, are engaged in sacred work and I say to them—go forward boldly and preach your Gospel enthusiastically. Only do not forget that yours is only one way out of several of serving the *Swadeshi* cause. And do not do your work in a narrow, exclusive, intolerant spirit which says—‘whoever is not with us is against us.’ But do it in the broader, more comprehensive, more catholic spirit, which says—‘whoever is not against us is with us.’ Try to keep down and not encourage the tendency, which seems to be almost inherent in the Indian mind of to-day, to let small differences assume undue importance. Harmony, co-operation, union—by these alone can we achieve any real success in our present state.

In this connection I think I ought to say a word about an expression which has, of late, found considerable favour with a section of my countrymen—‘the boycott of foreign goods.’ I am sure most of those who speak of this ‘boycott’ mean by it only the use, as far as possible, of *Swadeshi*, articles in preference to foreign articles. Now such use is really included in true *Swadeshi*; but unfortunately the word ‘boycott’ has a sinister meaning—it implies a vindictive desire to injure another, no matter what harm you may thereby cause to yourself. And I think we would do well to use only the word *Swadeshi* to describe our present movement, leaving alone the word ‘boycott’ which creates unnecessary ill-will against ourselves. Moreover,

remember that a strict 'boycott' of foreign goods is not at all practicable in our present industrial condition. For when you 'boycott' foreign goods, you must not touch even a particle of imported articles; and we only make ourselves ridiculous by talking of a resolution which we cannot enforce.

One word more and I have done. In the struggle that lies before us, we must be prepared for repeated disappointments. We must make up our minds that our progress is bound to be slow, and our successes, in the beginning at any rate, comparatively small. But if we go to work with firm faith in our hearts, no difficulties can obstruct our way for long, and the future will be more and more on our side. After all, the industrial problem, formidable as it is, is not more formidable than the political problem. And, to my mind, the two are largely bound together. Ladies and gentlemen, the task which the people of India are now called upon to accomplish is the most difficult that ever confronted any people on the face of the earth. Why it has pleased Providence to set it before us, why we are asked to wade through the deepest part of the stream—to be in the hottest part of the battle—Providence alone knows. But it is my hope and my faith that we will successfully achieve this task. The situation requires us to devote ourselves to the service of our Motherland in an earnest and self-sacrificing spirit. But what can be higher or nobler or holier or more inspiring than such service? In working for India, we shall only be working for the land of our birth, for the land of our fathers, for the land of our children. We shall be working for a country which God has blessed in many ways, but which man has not served so well. And if we do this work as God wants us to do it, our motherland will yet march onwards and again occupy an honoured place among the nations of the world.

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## THE MORLEY-MINTO REFORMS.

*[The following is the full text of a note submitted by the Hon. Mr. Gokhale to Viscount Morley in September 1908.]*

### THE GOVERNMENT OF INDIA.

Two Indians should be appointed to the Executive Council of the Viceroy.

### PROVINCIAL GOVERNMENTS.

Every Province in India (except Central Provinces and Berar) should now have at its head a Governor appointed from England assisted by an Executive Council of three or four Members. Where there are three Members, one of them should be an Indian, and where there are four, two should be Indians.

The Central Provinces and Berar should have a Lieutenant-Governor with a Legislative Council instead of a Chief Commissioner.

### LEGISLATIVE COUNCILS.

#### *Composition.*—

In the Viceroy's Legislative Council, there should be a small majority of official and nominated Members over the elected Members. In the Provincial Legislative Councils, the elected Members should be in a majority.

The Viceroy's Council may consist, as proposed by the Government of India last year, of 55 Members. If so, it should be composed as follows :—

#### 25 Official Members—

- 1 Viceroy.
- 1 Governor of the Province in which the Council assembles.
- 1 Commander-in-Chief.



- 6 Ordinary Members of the Viceroy's Executive Council (Law, Finance, Home, Revenue and Agriculture, Industry and Commerce, and Military Supply).
- 7 Official representatives of the seven Provinces (Madras, Bombay, Bengal, United Provinces, Punjab, Burma and Central Provinces).
- 9 Other Officials, such as Director-General of Education, Chairman of the Railway Board, etc.

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- 5 Non-Official Members nominated by the Viceroy.

25 Elected Members—

- 13 Representatives of the seven Provinces elected by Provincial Councils—(Madras, Bombay, Bengal, United Provinces, Punjab and Burma, 2 each; Central Provinces 1).
- 3 Representatives of landed gentry (Bengal 1, Central Provinces 1; and Madras and United Provinces alternately 1); Bombay, Punjab and Burma do not need special representation for the landed gentry.
- 5 Representatives of Industry and Commerce (Calcutta Chamber of Commerce 1; Bombay Chamber of Commerce 1; Madras and Cawnpore (U. P.) Chambers of Commerce alternately 1; Planters of Assam, Behar and Southern India 1 by turns; and Bombay Millowners' Association, representing the Indian Mercantile Community 1).
- 4 Representatives of the Mahomedan community elected by special Constituencies to be created (Bengal 1, United Provinces 1, Punjab 1, Madras and Bombay 1 alternately).

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A Provincial Legislative Council should consist of not less than 50 and not more than 100 Members.

Not less than half of the Members of a Provincial Council should be elected by areas, as far as possible one Member for each District—or by constituencies representing the general community without distinction of class or creed; not more than one-quarter should be elected by constituencies representing special interests; and the remainder should be nominated by the head of the Provincial Government.

Taking the Presidency of Bombay as an illustration, I would have there a Legislative Council consisting of 60 Members composed as follows :—

30 Elected Representatives—

23 Elected by 23 Districts.

2 Bombay Corporation.

3 Karachi, Poona and Ahmedabad Municipalities,  
1 each.

1 Bombay University.

1 Bombay Justices of the Peace.

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10 Representatives of special interests—

4 Elected by special Mahomedan Constituencies  
(Bombay City 1, Northern, Central and  
Southern Divisions, 1 each. Sind\* may be  
expected to return at least 3 Mahomedan  
Members and so no special Mahomedan  
constituency is needed for Sind.)

2 Chambers of Commerce, Bombay & Karachi.

1 Millowners' Association.

1 Sardars in the Deccan.

1 Taluqdars of Guzerath.

1 Zemindars of Sind.

20 Members of the Executive Council and official and Non-official Members nominated by the Governor.

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*Functions—*

Subject to the veto of the President, a Legislative Council should have complete control over its own legislation. To meet extraordinary emergencies, the Viceroy's Legislative Council should have the reserve power to legislate in Provincial matters, after a Provincial Legislature has refused to pass such legislation.

A Provincial Government should be free to frame its own Budget of expenditure within the limits of the revenue assigned to it. Imperial and Provincial Budgets should be settled by Budget Committees of seven Members, of whom three should be nominated by the Non-official Members of the Legislative Council. When a Budget is laid before the Legislative Council, a general discussion should first be permitted and then Members should be allowed to bring forward proposals in the form of Resolutions on which the Council should, if required by the movers, divide. The whole discussion should be subject to a time-limit (not less than three days and not more than a week.)

Members of a Legislative Council should have the power to raise administrative questions at Meetings of the Council in three ways:—(a) By interpellations as at present, supplementary questions being permitted. (b) By a motion for papers, which the Government may accept or refuse. (c) By a Resolution, if not less than one-fourth of the non-official Members submit a requisition to the President to have the Resolution considered.

No Resolutions of a Legislative Council on the Budget or on questions of administration should take effect unless they are accepted by the President.

A Provincial Legislative Council should meet at least once a month.

## DISTRICT ADMINISTRATION.

District Administration should be decentralised by freeing the heads of Districts largely from the present excessive Secretariat control of Provincial Governments, and substituting in place of the control so removed the control of public opinion on the spot. For this purpose, small District Councils, partly elected and partly nominated, should be created, whom the Collectors should be bound to consult in all important matters. The powers that should be conferred on these Councils and the functions that should be assigned to them have been indicated in my Note on Decentralisation.

## LOCAL SELF-GOVERNMENT.

*Municipalities.*—These should be divided into three classes. In all towns which are the head-quarters of the Imperial and Provincial Governments or in which there are other special interests, the system which at present prevails in the City of Bombay should be introduced. In all other towns, with a population above 15,000 inhabitants, the Municipal Boards should consist wholly of elected Members. In towns with a population below 15,000, they should consist of three-fourths elected and one-fourth nominated Non-official Members. Provision should be made for the Government exercising stringent control in cases of gross inefficiency or corruption.

*District and Taluk Boards.*—District Boards should be three-fourths elected and one-fourth nominated (non-officials). Taluk Boards should be wholly elected. The resources at the disposal of these bodies should be materially increased.

*Village Panchayats.*—In all villages with a population of 500 and above, a Village Panchayat should be created of five or seven Members, partly elected and partly nominated. Smaller villages may be grouped into unions or joined to larger adjoining villages. The powers and functions which may be entrusted to these Panchayats have been set forth in my Note on Decentralisation, where I have dealt with the whole question of extension of Local Self-Government in some detail.

## THE "TIMES" AND THE REFORMS.

*The following letter from Mr. Gokhale, written in Bombay on April 3, was published in the "Times" of Monday (April 19), 1909:—*

With reference to the comments which have appeared in your columns on my note on constitutional reforms, submitted to the Secretary of State for India towards the end of September last, and the attacks made on the Indian Councils Bill for its supposed connexion with that note, will you kindly permit me to say a few words?

Last April I was deputed by the Presidency Association of Bombay to proceed to England and lay before the authorities there their views on the proposed constitutional reforms. Before this deputation the Association had submitted an exhaustive memorial to the Government of India on the subject, and they had also laid their views before the Decentralisation Commission, before whom I gave evidence on their behalf. In view of the extreme gravity of the situation in India, however, it was thought necessary to supplement the representations made in this country by similar representations in England. The Secretary of State gave me a most kind, ready, and patient hearing, and at his suggestion I drew up my note, embodying briefly the change that we advocated. The note was only a summary of the views laid before the Government of India and the Decentralisation Commission, with very slight modifications, suggested by my discussions with a number of public men in England. There was nothing private or personal about that note.

The publication of the despatches between the Government of India and the Secretary of State, and the statement by Lord Morley in the House of Lords, had an almost magical effect on the situation in India. And the unique deputation that waited on the Viceroy immediately afterwards, consisting of leading men from all classes of

the community, showed with what relief, gratitude, and enthusiasm the announcement was received throughout the country. In a few days, however, a feeling sprang up among the Mahomedans that their special interests were not sufficiently safeguarded by the scheme of representation outlined in Lord Morley's despatch, and advantage was at once taken of this feeling to add to it an element of great bitterness by representing the scheme as the result of Hindu intrigue in London. Soon afterwards my name was openly mentioned in this connexion, and the mischief threatened to grow quite serious. I felt that one way of counteracting these unscrupulous attempts was to publish the views which I had laid before Lord Morley, and in which I had taken the same line as the Government of India on the Mahomedan question, and I decided to publish my note. Before doing so, however, I thought it was due to the Government of India that I should formally lay a copy before them, and they readily and most courteously granted my request to include it among any fresh papers on reforms that they might issue. There was no "demand" made by me for publication, and, of course, nothing was further from my mind than to make any complaint. On the publication of the note several Mahomedan friends wrote to me to express their satisfaction at what I had done. It is now two and a half months since the note appeared in almost all the leading papers in India—Indian and Anglo-Indian. Not one word similar to the comments that have been made by your correspondents has yet appeared in any of the papers. The note caused no surprise in this country, because the changes advocated therein have been urged publicly again and again, and are familiar to all. Your special correspondent was in this country when the note appeared. He did not fail to report to you the significance of half a dozen schoolboys, out of a crowd of several hundreds, hooting me at the Sholapur station on my way to Madras, and he certainly would have deemed it his duty to draw your attention to my note if he had thought that there was anything remarkable about it.

\* As regards the attacks which have been made on the Indian Councils Bill for its supposed connexion with my

note—attacks which have caused great astonishment in this country—can anybody really and honestly imagine that Lord Morley would have undertaken to make important constitutional changes merely because such changes were urged in my note, if he had not had behind him most weighty official support? Let us take the several points in the note one by one. The first is the admission of Indians to the Viceroy's Executive Council. "Thirty years in India" (I supposed he meant to write "Thirty years out of India"), and other Rip van Winkles may imagine that I was the first and sole person to urge this great step of advance. Did they read Lord Morley's speech in the House of Lords of December 17 last, and, if so, have they any excuse for ignoring the fact that the Secretary of State has acted in this matter on the strong and repeated recommendation of no less a person than the Viceroy? It is significant that Sir A. Arundel and Sir A. Fraser, who retired from service after the new currents of thought and feeling had set in motion in India, have both admitted the necessity and usefulness of this great vindication of the late Queen's gracious Proclamation. The second point is about provincial executive councils. Here, the Decentralisation Commission have made precisely the same recommendation as that contained in our representations, and any one can see that Lord Morley has based his proposal on the authority of the Commission. As regards the reform of legislative councils, which the Government of India rightly consider to be the most important and far-reaching part of the whole scheme, the proposals contained in Lord Morley's despatch may be analysed under three heads—numbers, composition, and functions. Of these, the numbers finally sanctioned are those of the Government of India. As regards the functions, too, the expansion comes for the most part from the Government of India. Only in one particular—and that a comparatively small one, namely, about supplementary questions—has Lord Morley gone beyond the Government of India. Lastly, as regards composition, it is a mistake to suppose that Lord Morley has conceded what was asked for in my note. I speak on this point with considerable reluctance, because since the reforms were announced I have been most anxious not to

say one word which could suggest that we were not satisfied with the large and generous scheme that had been offered. But the two main ideas in my note as regards the composition of provincial councils were an elected majority and district representation, neither of which has been conceded by the Secretary of State. He has, no doubt, decided to have a non-official majority in provincial councils, but any one who knows anything about these councils will at once see that that is a widely different thing from an elected majority. Thus in a council of 50, if we have 20 elected members, 24 officials, and six nominated non-officials, we have a non-official majority. But it is not an elected majority, and the council will consist of 20 men elected by the people, and 30 men dependent upon the Government for their membership. Lastly, as regards local self-government, there is only one general paragraph in the Secretary of State's despatch, and it follows mainly the line of advance indicated by all high official authorities, including the Decentralisation Commission. Two years ago Lord Minto, in his reply to the Mahomedan deputation, had foreshadowed such advance. It is necessary to remember that in regard to legislative councils and local self-government, Lord Morley, as he himself has told us, has acted on the recommendations of Lord MacDonnell's committee.

The whole point of the criticism directed against the Bill, with which I am dealing in this letter, comes to this:—Several of the changes urged in my note have happened to coincide with the recommendations made by important official authorities. I suppose the critics would have been better pleased if we had asked for something wild and unreasonable which the Government could not grant. In that case they would not have attacked the Bill on the present grounds, but they would have had an opportunity to attack "agitators" for making wild and unreasonable proposals. They must attack somebody.

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## SELF-GOVERNMENT FOR INDIA.

*Mr. Gokhale read the following paper before the East India Association, London :—*

My object in addressing you is to state before this Association briefly, and I hope clearly, what are to-day the ideas and aspirations of the vast majority of those Indians who have come under the influence of Western thought in regard to the government of their country. I think it will be generally admitted that the dissatisfaction in India with the existing system of administration has been for some time past rapidly growing, and we have now reached a stage when it is necessary for the rulers, if further alienation between the two sides is to be prevented, to make a bold and statesmanlike attempt to win back the confidence of the educated classes of the country. These classes have in the past been led to believe that the sole aim of British rule in India was the welfare of the Indian people, and that, under that rule, no distinction would be made between Indians and Europeans in the government of the country on grounds of race or creed or colour. The Charter Act of 1833 and the Proclamation of 1858 of the late Queen have pledged the word of the Sovereign and the Parliament of the country—the only two authorities that can claim to speak in the name of the English nation—to such a policy. And till a few years ago, whatever might have been thought of the pace at which we were going, there was no general disposition to doubt the intention of the rulers to redeem their plighted word. To-day, however, the position is no longer the same. Things *have* moved even in dreamy and contemplative India, and many of the members of this Association who, in their time, have held high, and, in some cases, distinguished, official positions in that country, must have been startled recently to read in the columns of such eminently Conservative journals as the *Times* and the *Morning Post* the accounts of the ferment in India

witnessed by their special correspondents, and the significance they found it necessary to attach to that ferment. There is no doubt that the old faith of the people in the character and ideals of British rule has been more than shaken, and its place is being steadily taken by a conviction that, however great England may be, she is not great enough to forego voluntarily the gains of power from considerations of mere justice or national honour. I do not say that such a view is quite just to the average man or woman of this country. Probably the democracy here will not tolerate such complete exclusion of the Indians from their own government, if the real character of the present system of administration is clearly brought home to its mind. But whatever its sympathies in the abstract may be, they are rendered inoperative, first, by its absorption in questions of domestic interest, and, secondly, by the dense and impenetrable ignorance about India that prevails in this land on all sides. Moreover, the people of India can judge of the intentions of Englishmen only from their experience of those who go out to India to exercise authority over them, and I think it is no injustice to this class to say that most of its members show no particular anxiety to part with any portion of the power they at present enjoy, or to associate more than they can help the people of the country with themselves in the work of administration.

I know there are those who think that no serious importance need be attached to the temper or opinions of the educated classes of India: first, because, numerically, they are a small—as one Viceroy said, “a microscopic”—minority; and, secondly, because there are so many caste and creed divisions in India that united action on the part of the people in support of the views of the educated classes is impossible. It is true that, as far as mere numbers go, those who have received Western education in India form but a small proportion of the entire population, only a little over a million persons being returned at the last census as “literate in English” out of nearly three hundred millions. But there can be no greater mistake than to imagine that the influence of this

class in the country is proportionate only to its numbers. In the first place, these men constitute what may be called the brain of the community. They do the thinking not only for themselves, but also for their ignorant bretheren. Moreover, theirs is the Indian press—both English and Vernacular—and the Vernacular press shapes the thoughts and sways the feelings, not only of the fifteen million “literates in Vernaculars” whom it reaches directly, but also of many more millions who come indirectly under its influence. And whatever public opinion exists in the country reflects almost entirely the views of the educated classes. Officials sometimes look to old historic families, which in more turbulent times supplied leaders to the country, to exert a rival influence; but they have now lost their former hold on the public mind, because in these days of peace and of transition, rusty, broken swords cannot compete with ideas as a source of importance and power. The influence of the educated classes with their countrymen is thus already very great, and is bound every day to grow greater and greater. As regards caste and creed divisions, even these are not now so acute as they once were. Half a century of Western education, and a century of common laws, common administration, common grievances, and common disabilities, have not failed to produce their natural effect even in India. The awakening of the Mohammedans of Aligarh to the necessity of political agitation is a significant sign of the times. It is most improbable that the Aligarh programme, when drawn up, will be found to be substantially different from the Congress programme, and though the new organisation may maintain its separate existence for a while, it must inevitably merge itself sooner or later into the larger and older organisation of the National Congress.

I think those who are responsible for the government of India have now got to realize two facts, that any further alienation of the educated classes would be a course of supreme political unwisdom; and, secondly, that such alienation cannot be prevented unless the faith of these classes in the desire of the rulers to carry out the policy

of the Charter Act of 1833, the Proclamation of 1858 is restored. Whatever a certain school of officials in India may say, the bulk of educated Indians have never in the past desired a severance of the British connection. Not only was their reason enlisted on its side, but in the earlier years, at any rate, even their imagination had been captured by it. The fact that a small island at one end of the world had by an astonishing succession of events been set to rule over a vast country, inhabited by an ancient and civilised race, at the other end; the character of the new rulers as men who had achieved constitutional liberty for themselves, and who were regarded as friends of freedom all over the world; their noble declarations of policy in regard to India—these were well calculated to cast a spell on the Indian mind; while the blessings of continued peace and order well established, the introduction into the country of the higher and more vigorous administrative standards of the West, the establishment of universities and schools, throwing open to the people the rich treasures of Western knowledge, and bringing them under the influence of Western ideas, the dispensing of equal justice between Indian and Indian, liberty of speech and liberty of writing, railways, post offices, telegraphs, and other modern appliances of material civilization—these were solid and undeniable advantages brought to the people, which for a long time continued to be a theme of genuine and unstinted appreciation. The spell, however, is already broken, and even the hold on the reason is steadily slackening. A tendency has set in to depreciate even those advantages which at one time were most cordially acknowledged. And the disadvantages of the situation—wounded self respect, inability to grow to the full height of one's stature, a steady deterioration in the manhood of the nation, and economic evils of vast magnitude inseparable from such foreign domination—these evils which, while the spell lasted, had not been realised with sufficient clearness, have now already begun to appear as intolerable. I think there is no room for doubt that the whole attitude of the Indian mind towards British rule is undergoing a change. As yet the majority does not clearly understand this change. It would like to

remain, if it could, in the old familiar groove, and it feels surprised, pained, disappointed, indignant that it cannot remain in that groove, and is being driven in a direction which it does not understand. It is a critical juncture in the relations between England and India. The highest statesmanship is needed to deal with the situation, and every day the problem grows more and more difficult of solution.

After all, India's willing acceptance of the British connection can only be based on reason or enlightened self-interest. English officials in India often fail to realise the extent to which the policy laid down by the Sovereign and by Parliament has reconciled the thinking portion of the Indian community to British rule. They seem to think that, as that policy has been allowed hitherto to remain for the most part a dead letter, it could not really have any serious practical bearing. There cannot be a more complete misconception of the whole situation than this. Throughout these long years the educated classes have not lost sight of the policy even for a single moment, and though their patience under its continued non-fulfilment—which at last has begun to give way—has worn to superficial observers the appearance of indifference, the belief that the pledges so solemnly given would not go unredeemed has, more than anything else, determined so long their attitude towards British rule. Once this attitude is allowed to undergo a change, such as it is now doing, the rulers will not be left long in doubt as to the great part which the Charter Act and the Queen's Proclamation have had in insuring the loyalty of the people. It was the failure to perceive this which was responsible for the grave mistake which Lord Curzon committed more than two years ago, when he sought in open Council to explain away the Queen's Proclamation, and practically told the people of India that, as long as British rule lasted, there could be no real equality between Englishmen and Indians in India. It is sometimes said that the existing arrangements make for efficiency of administration and in the interests of that efficiency it is necessary that they should not be disturbed. There is an air of plausi-

bility about this plea, but those who urge it ignore the wisdom of an observation which the present Prime Minister once made, that "good government could never be a substitute for government by the people themselves!" On a closer examination, moreover, the contention will be found to be perfectly untenable. The efficiency attained by a foreign bureaucracy, uncontrolled by public opinion, whose members, again, reside only temporarily in the land in which they exercise official power, is bound to be of a strictly limited character, and it can never compare with that higher and truer efficiency which is possible only under a well regulated system of self-government. The present form of administration in India is a strongly centralised bureaucracy in which the men at the centre hold office for five years only. They then leave the country, carrying away with them all the knowledge and experience of administrative matters acquired at the expense of the country, and their places are taken by new men, who, in their turn, retire similarly after five years. As things are, there is no one ever in the government who is permanently interested in the country as only its own people can be interested. One result is that the true well-being of the people is systematically subordinated to militarism, service interests of English mercantile classes; and though under such a system peace and order may be maintained, and even a certain amount of efficient administration secured, the type of efficiency is bound to remain a low one always. Moreover, it is clear that even such efficiency of administration, as has been attained in the past by the existing system, is bound to suffer more and more, owing to the growing antagonism of the governed to that system. No man, for instance, ever laboured more strenuously for mere efficiency than Lord Curzon, and yet never was discontent deeper and more widespread than when he left India, and no Viceroy of recent times has had to succeed to a greater legacy of difficulties than Lord Minto.

It may be that bureaucracies, like the Bourbons never learn, but it should really not be difficult for Englishmen to realise that you cannot have institutions.

like the universities working for more than half a century in India, and then expect to be able to govern the people, as though they were still strangers to ideas of constitutional freedom or to the dignity of national aspirations. Those who blindly uphold the existing system, and resist all attempts, however cautious and moderate, to broaden its bases, prefer practically to sacrifice the future to the present. No one denies the undoubted difficulties of the position, but they are by no means so formidable as those who do not want to move at all like to believe. The goal which the educated classes of India have in view is a position for their country in the Empire worthy of the self-respect of civilised people. They want their country to be a prosperous, self-governing integral part of the Empire, like the Colonies, and not a mere poverty-stricken, bureaucratically-held possession of that Empire. The system under which India is governed at present is an unnatural system, and however one may put up with it as a temporary evil, as a permanent arrangement it is impossible, for under such a system "the noble, free, virile, fearlesslike," to use the words of a well-known American preacher, "which is the red blood of any nation gradually becomes torpid," and nothing can compensate a people for so terrible a wrong. Of course, we recognise that the new self-government has to be on Western lines, and therefore the steps by which the goal is reached must necessarily be slow, as, for the advance to be real, it must be from experiment to experiment only. But there is all the difference in the world between such cautious progress and no progress at all; and the bureaucracy which, by standing in the way of all reasonable instalments of reform, hopes to prevent reform altogether, is only undermining its own position by such a short-sighted and suicidal policy. The officials in theory admit the necessity of associating the people with the Government of the country, but they object to admitting only a small proportion of the population to a share in the administration, and they ask us to wait till the mass of the people have been qualified by education to take an intelligent part in public affairs! At the same time, how much or how little is being done to push on mass education may

be seen from the fact that, after more or less a century of British rule, and forty years after England herself woke up to the responsibilities of Governments in regard to mass education, seven children out of eight in India are growing up to-day in ignorance and darkness, and four villages out of five are as yet without a school-house! Moreover, it is ignored that what is asked at the present stage is a voice in the administration, not for the whole population, but only for those who have been qualified by education to exercise their responsibilities in a satisfactory manner. As regards the bulk of the people, it is recognised that education has got to come first, and what is urged is that this educational work should be pushed on in the most vigorous manner possible.

It is true, as I have already admitted, that an Oriental country cannot hope to advance on Western lines, except by cautious and tentative steps. But what Japan has been able to achieve in forty years, India should certainly have accomplished in a century. The attitude of the two Governments in the matter has, however, been one of the main elements of difference in the two cases. My concern, however, is more with the present and the future than with the past. And here I repeat that, unless the old faith of the educated classes in the character and ideals of British rule is brought back, England will find on her hands before long another Ireland, only many times bigger, in India. The younger generations are growing up full of what may be called Irish bitterness, and the situation must fill all who believe in the peaceful progress of the country under British rule with anxious apprehensions. If India is to attain self-government within the Empire—an idea which to an increasing proportion of my countrymen appears to be a vain dream—the advance will have to be along several lines more or less simultaneously. Of these in some respects the most important is the admission of Indians to the higher branches of the public service. As long as India continues to be bureaucratically governed, admission to high office will be a test of the position assigned to the Indians in the system of administration. It is not a



mere question of careers for young men—though even that view is entitled to weight, and the bureaucracy certainly behaves at times as though the most important question before it was how to retain and, if possible, increase the existing number of openings for the employment of Englishmen in India—but it is a measure of our advance towards that equality which has been promised us by the Sovereign and by Parliament. Moreover, as the ranks of the bureaucracy come to be recruited more and more from among the Indians, its resistance to the control of taxpayers' representatives will grow less and less. At present only the field of law—there, too, only a portion of it—is freely open to us, and we find Indians there climbing right to the top of the tree. And if my countrymen are thought to be qualified to discharge the duties of Chief Justice and Advocate-General, it is preposterous that they should be kept out of the superior ranks of Excise and Opium and Salt and Customs and Post and Telegraph and Survey, and similar other services. Under present arrangements India's true centre of gravity is in London. We protest against this most unnatural arrangement and we urge most strongly that all competitive examinations for recruitment to Indian services should be held, not in London only, but simultaneously in India and in England. And we claim to be admitted now to the executive councils of the Viceroy and the Governors of Madras and Bombay, as also to the Secretary of State's Council in this country. Next, we want district administration—which is the unit of administration in India—to be decentralised. On the one hand, it must be freed from the present excessive control of the secretariat of the central Government and its numerous special departments; and on the other, the people of the district must be provided with opportunities to influence its course more and more largely, till at last the officials become in fact, as they are in theory, the servants of the people. The first step towards this is to associate with the heads of districts, for purposes of general administration, boards of leading men elected by the people, at first, perhaps, merely advisory, but gradually entrusted with increasing powers of control. In this way an administration conducted with the real consent of the

governed may, in course of time, be substituted for the present system of administration carried on in the dark and behind the backs of the people concerned, with its attendant evils of confidential reports and police surveillance. Then local self-government must be carried further. It still remains all over the country where it was placed by Lord Ripon a quarter of a century ago, and in some places it has even been pushed back. Local bodies should now be made in the more advanced localities wholly popular assemblies and while the control of the Government over them must not be weakened, they should be freed from all petty and harassing interference on the part of officials. As regards Legislative Councils, the position is more difficult. Of course, the next instalment, whenever it comes, can I think, be clearly foreseen. The enlargement of the Councils, the widening of their functions so that Budgets should be really discussed and passed, an increase in the proportion of elected members up to the point at which the officials will still have a small standing majority—these changes may sooner or later appear safe enough even to the official mind. But the advance beyond that is really the thing that will matter, and it is not easy to see how it will come about. As long as the higher branches of the public service continue to be a practical monopoly of Englishmen, there is small chance of the Legislative Councils being entrusted with any substantial share of control over the actions of the Executive, and this consideration emphasises still further the necessity of steadily Indianising the service of the country. In the army, too, our position must be generally improved, and the commissioned ranks now thrown open to carefully selected Indians. Side by side with these reforms, mass education must be taken vigorously in hand, so that in twenty years from now, if not earlier, there should be free and compulsory education in the country for both boys and girls.

I think that an earnest and sustained advance along these lines will go far to prevent any further alienation of the educated classes, and even their old goodwill may thus be regained. I cannot say that I have much hope that any such policy will be at once adopted. The struggle

before us is, I fear, a long one and, in all probability, it will be a most bitter one. The flowing tide, however, is with us, and such a struggle can have but one issue. It only remains for me to say that it has been a pleasure to me to respond to the kind invitation of this Association. I do not expect that my views will receive any large assent at this meeting, and this only adds to my sense of the compliment which the Association has paid me.

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## THE HINDU-MAHOMEDAN QUESTION.

The following is an English rendering of the speech delivered in Marathi by the Hon'ble Mr. Gokhale on the subject of the Mahomedan question, at the Desam Sabha, Bombay, on the 4th July 1919:—

III. recently the differences between Hindus and Mahomedans which from time to time assumed an acute form and attracted public attention were generally in regard to matters involving religious sentiment, such as cow-killing and street music. No doubt complaints were occasionally heard in the addresses presented by Mahomedan Associations to men in authority, or in the columns of the Press about the Mahomedans not securing a sufficient share of the public services, or a sufficient representation on Municipal and Local Boards. But a separate organized movement of Moslem leaders, with a comprehensive programme of their own, to win special concessions for Mahomedans as a community in the administration of the country was a matter of the last two or three years only, and while there was undoubtedly a cause for sincere congratulation that their Mahomedan brethren had at last shaken off their apathy of years in political matters, their separate organisation and the demand for special concessions did not tend to diminish their growing difficulties of their public life. After glancing briefly at the past history of the two communities and the contributions made by them to the progress of the world, Mr. Gokhale proceeded to consider their respective positions at the present day in India. The Mahomedan minority, who were a little over one-fifth of the whole population was very unequally divided among the different Provinces. In the Punjab and East Bengal they actually formed a majority of the population, being a little over one-half in the Punjab and about three-fifths in East Bengal. In Bombay, on the other hand, they were only one-fifth, in West Bengal between one-fifth and one-sixth, in the

United Provinces one-seventh, in Madras about one sixteenth, and in the Central Provinces less than one-twentieth. The bulk of the Mahomedans did not differ from the Hindus in race, but they had to remember that religion was a most powerful factor in life and it modified and sometimes profoundly modified race characteristics. In numbers, in wealth, in education and public spirit, the advantage at present lay with the Hindus. They had also so far contributed far more than the other community to the present national awakening in India. But they were greatly hampered by castes, and by temperament they were mild and passive. On the other hand, the Mahomedans were burdened with fewer divisions, their social structure rested on a more democratic basis, they had more cohesion among them, and they were more easily roused to action. The worst of the situation was that over the greater part of India the two communities had inherited a tradition of antagonism, which, though it might ordinarily lie dormant, broke forth into activity at the smallest provocation. It was that tradition that had to be overcome. And though there were certain special difficulties in their way and the task at times appeared well-nigh impossible, it was no more impossible than what Europe had to face for more than two centuries in the fierce antagonism between Protestants and Catholics. Spread of education, a wide and efficient performance of civic duties, growth of national aspirations and a quickening of national self-respect in both communities were among the forces which would ultimately overcome the tradition. The progress in that direction was bound to be slow and there were sure to be repeated set-backs. But they must believe in final success with all their will and persevere ceaselessly against all odds. It was a commonplace of Indian politics that there could be no future for India as a nation, unless a spirit of co-operation of a sufficiently durable character was developed and established between the two great communities in all public matters. They could not get over that, no matter how angry they might be at times with one another. And those among them who wished to devote themselves to the promotion of such co-operation had no choice but to refrain as far as possible

from joining in controversies likely to embitter the relations between the two sides, and exercising forbearance and self-restraint themselves to counsel it in others. The speaker was of opinion that a special responsibility lay in the matter with the Hindus, who had an advantage over the other community in regard to the spread of education and who were therefore in a better position to appreciate the needs of a growing nationality. They could also do a great deal towards the establishment of better relations if some of them devoted themselves to education and other useful work among Mahomedans for the special benefit of that community. Such work could not in course of time fail to be appreciated, and it would powerfully help in gradually substituting confidence and goodwill and co-operation in place of the present distrust and suspicion and aloofness.

Having thus dealt with the general position Mr. Gokhale proceeded to express his view of the controversy that had agitated the country during the last six months. Much of the excitement, he said, had been due to a misapprehension of the character and scope of the new reforms. Mr. Gokhale stated his own position in the matter quite frankly. He had all along been in favour of special separate electorates for important minorities but he wanted such electorates to provide not the whole of the representation to which the communities were entitled but only so much of it as was necessary to redress the deficiencies and inequalities of general elections; and he wanted the same treatment to be extended to other important minorities than Mahomedans where necessary. Mr. Gokhale held strongly that in the best interests of their public life and for the future of their land they must first have elections on a territorial basis in which all communities without distinction of race or creed should participate and then special separate supplementary elections should be held to secure the fair and adequate representation of such important minorities as had received less than their full share in the general elections. He had urged that view publicly from his place in the Viceroy's Legislative Council last March, and he had been called hard names

by both sides for it. He however adhered to his view that in the present circumstances of the country, that was the only course which reasonably safeguarded the interests of all communities and prevented injustice to any one of them in practice. As far as they could see, the Government of India's original proposals had been very much on those lines. And if the Secretary of State had not unfortunately disturbed them in the first instance, very probably they would not have heard much of the demands that had since been made. No doubt, under those proposals special treatment was proposed to be accorded only to Mahomedans, but there was nothing to prevent the same treatment being extended to others later on if necessary. The Secretary of State, however, having proposed, from the highest motives as they could all see, a scheme of his own and having afterwards found it necessary to abandon it and fall back again on the Government of India's proposals did so in language which opened the door to large demands by the Moslem League. Straightway the League threw the Government of India's proposals overboard and began to urge the grant of larger concessions. Mr. Gokhale made no complaint of this. Indeed so far as the League urged this substitution of election in place of nomination for all special seats, his sympathies were with the League. But when some of the leading spokesmen of the Moslem community demanded a larger representation than they were justly entitled to on grounds such as special importance and higher loyalty traditional or otherwise, an occasion undoubtedly arose when it became the duty of the other communities in the country to protest strongly against such claims. His own feeling in the matter was the same as that of their great leader Sir Pherozechah Mehta than whom the country had no wiser or more patriotic guide.

Mr. Gokhale associated himself fully with the telegram recently despatched, and as he knew, most reluctantly despatched by Sir Pherozechah Mehta to the Government of India. He had assented to that telegram personally, having specially attended the meeting of the Presidency Association for the purpose. When any one

said that his community was important and should receive fair and adequate representation, the claim was entitled to the sympathetic consideration of all. But when any one urged that his community was specially important and should therefore receive representation in excess of its fair share, the undoubted and irresistible implication was that the other communities were comparatively inferior and should receive less than their fair share. That was a position to which naturally the other communities could not assent. British rule was based on equal treatment for all communities, and the speaker trusted that the Government would never be so weak as to lean for support on any one community in particular. It was urged that the Mahomedans had ruled in India for five centuries. It must not however be forgotten that the Hindus had ruled for countless centuries before them and even afterwards, before the British came on the scene, the Mahomedan power had been broken and displaced over nearly the whole country by a revival of Hindu rule. Then it was said that there were large Mahomedan populations in other countries—some of them self-governing countries—and that invested the Mahomedans of India with special importance. Mr. Gokhale could not see how that mattered in determining the extent of the representation which the Government of India should grant to its own subjects, unless it was on the assumption that in the administration of this country, those whose whole heart was not with India were to have preference over those whose was. Moreover the same ground could with equal reason be urged by Indian Christians and by Buddhists. Lastly, as regards the higher traditional loyalty of Mahomedans to British rule, the claim was not historically tenable. And even during the last two or three years Mahomedan names had not been altogether absent from the lists of those speakers and writers against whom the Government had thought it necessary to proceed, though it must be admitted that the number of such names had been extremely small. Before concluding Mr. Gokhale referred to the speech recently made by His Highness the Aga Khan. He said that he read portions of that speech with considerable astonishment, and he



could not help regretting that so well informed and broad-minded a gentleman as His Highness should have been labouring under so much misapprehension. His Highness had said that unless larger concessions were made to the Mahomedans, the Hindus would be exultent and triumphant. All that Mr. Gokhale could say about this was that His Highness was evidently not in touch with Hindu feeling in the matter. Not only was there no disposition among the Hindus to exalt or to fall triumphant but there was actually a sullen feeling of resentment throughout the country, a feeling daily growing deeper and stronger than the Government had not held the balance even and that it had already learned too much on the Mahomedan side. His Highness had further said that unless additional concessions were made to Mahomedans, it would mean a monopoly of political power to the Hindus. Mr. Gokhale said that he rubbed his eyes as he read that statement. Surely the Aga Khan could not be under the impression that what the Government proposed to do was to hand over the administration of the country to elected Councils with Hindu majority in them. Not even with the Councils reconstituted as proposed the last word would still be with the officials. The enlargement of the Councils and the increase in the proportion of elected members were no doubt important matters, but they were not so important as to afford to any community the shadow of an opportunity to obtain a monopoly of political power in the country. As the speaker had often pointed out, the most important and valuable part of the reform of Legislative Councils was the power proposed to be conferred on members to raise discussion on administrative matters. This power, if wisely exercised, would gradually give the country an administration conducted in the light of day and under the scrutiny of public discussion in place of the present administration carried on in the dark and behind the backs of the people. For this purpose what really mattered was the capacity, the public spirit, and the sense of responsibility of the members. How many members were returned by any particular community was not of much consequence, and a member or two more or

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less on this side or that would not make the smallest difference in practice. Mr. Gokhale earnestly trusted that Government would soon close the question in a definite manner and he was confident that before long the present soreness of feeling would disappear and normal relations again return between the two communities. When once the new Councils commenced to work it would be realised that there was no demand or scope there for work on sectarian lines and the man who worked for all would find his service appreciated by all communities. Controversies like the present were occasionally inevitable, but if they took care not to employ words or express sentiments which would leave soreness behind, they might succeed in averting the injury which otherwise was likely to result to the best interests of their growing nationality. They were all of them trustees of those interests, and the world and their own posterity would judge them by the manner in which they discharged that trust.

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## STUDENTS AND POLITICS.

*[The following speech was delivered by the Hon'ble Mr. Gokhale at the Students' Brotherhood, Bombay, on the 9th October, 1909 :—]*

Gentlemen,—One of the most anxious, as it is one of the most important, problems confronting us to-day is how to supply the guidance, at once wise and patriotic, to our young men, so that their lives may be directed into channels of high purpose and earnest endeavour in the service of the Motherland. To sustain, on the one hand, those pure impulses and generous enthusiasms which are the special privilege of youth, and, on the other, to instill into young minds a due sense of proportion and of responsibility and a correct realization of the true needs of the country—this can never be an easy task, and in the present situation of India, it is beset with extraordinary difficulties. Influences are at work around us which bid everyone, “nor sit, nor stand, but go”! The very air we breathe is laden with a longing for change. Old beliefs are crumbling. New adjustments of ideas have become necessary, and amidst this general commotion which has been very properly called “unrest,” it was not to be expected that our students alone should continue to stand where they did.

It is not the fact of their movement, so much as the direction in which a large proportion of them have been moving that calls for our most earnest attention and our closest inquiry. It is a well-worn truism that the students of to-day will be the citizens of to-morrow. Ideas and aspiration, which give a decisive bent to their minds are, therefore, matters of the deepest moment to the country, and it behoves us all seriously to examine how far they are calculated to prepare them for the responsibilities which must in due course descend to them.

One complaint which is often heard may be dismissed at once. It is said in disparagement of the Indian student that he begins to feel an interest in politics long before his time, and that it is necessary to put an end to this state

of things. Now, the fact itself of such precocious interest may be admitted at once, but those who speak of it as an evil that must or can be put down fail obviously to realize that it is an inevitable result of the exceptional political situation of the country, and that it is bound to last as long as that situation continues in all essentials unaltered. Among self-governing people, politics brings into play not only the sentiment of patriotism, but also the sense of responsibility. And young men, who feel the sentiment, but lack the sense of responsibility, naturally leave practical affairs to their elders who possess both. To the Indian student, on the other hand, Indian politics is only a struggle, in which his countrymen are engaged on behalf of the Motherland, with a body of foreign officials representing the rule of another nation. There is no room here even for the elders for any feeling of responsibility in regard to the administration of the country and for our young men who find no restraining considerations in their path, politics necessarily resolves itself into a matter of patriotic sentiment—an interest in politics is, to the Indian student, the same thing as an interest in his country. And to such interest all that is earnest, all that is self-respecting, all that is chivalrous, all that is patriotic in his nature, is continually impelling him. England herself has introduced into the country ideas which preach to us the dignity and high worth of patriotism, of freedom, of self-government and which tell us of contempt which, in the eyes of all self-governing people, covers those who accept their subjection in a slavish spirit. Our politics to-day is for the most part a spread of these ideas among the people, and an attempt to apply them to our present condition. And it is inevitable that the most impressionable minds in the country should be the most affected by them.

Responsibility alone will steady our judgments and control the restlessness of our patriotism. Where responsibility has been conferred on the people, as in municipal matters, students feel no interest before their time. As we cease to fill the role of mere critics of the administration and are admitted to a participation in the responsibilities of Government, our politics will advance from

the sentimental to the responsible stage, and the precocious interest at present felt in it by our young men will tend to disappear.

But, because it is impossible to prevent Indian students from taking an interest in politics before their time, therefore it does not follow that they should be left to pick up their political ideas where and how they can. On the contrary I strongly hold that a crying need of the present situation is the provision in colleges of facilities for the efficient training of what may be called the political sense of our young men. The present policy of treating politics, and especially current politics, as a dangerous and in some respects, even a forbidden subject, has only resulted in depriving the students of that guidance, to which they are entitled at the hands of their teachers, in forming sound views on important questions. To leave them thus to their own devices amidst the perplexities of a difficult situation is to neglect a plain duty towards them at a critical period in their lives, and the consequences of this neglect have been and are bound to be serious and far-reaching.

I was glad to see this view urged the other day in a letter to the Press by the Rev. Mr. Andrews, of Delhi, than whom there is no better friend of the Indian students and of Indian aspirations in the country. "The historical and economic questions," says the Rev. Mr. Andrews, "which lie at the base of at least three-fourths of the politics of the modern Indian student, should be dealt with wisely and sympathetically by those who are teaching history and economics, and sound opinion should thus be built up within the colleges themselves." Different teachers will, no doubt, take different views of the same questions, but it is not so much the views urged on the attention of the students as the proper cultivation of their political sense and the habit of careful and comprehensive thinking induced in their minds in regard to political problems that must be the chief object and will constitute the real gain. The very fact that our students cannot help taking an interest in politics before their time, goes to emphasize the

great need that exists for their efficient political education. I think our students, especially College students, should enjoy every possible facility for acquiring an accurate knowledge of political matters and forming sound views in regard to them. They should be encouraged to discuss such matters freely in the College, and publicists, whose opinions are entitled to weight, should from time to time be invited to take part in the discussions. They should be at liberty to attend public lectures and addresses on political subjects, and they may even attend political meetings with advantage, provided they are there only as spectators.

But when it comes to active participation in what is called political agitation, I think we must draw the line. Political agitation, directed towards the people, seeks to educate and organize public feeling and public opinion in political matters. Directed towards the Government, it seeks to bring the pressure of that feeling or opinion to bear upon the authorities for the purpose of securing the changes that are desired. In either case it is a most responsible action, and students with their immature judgments are not qualified to take part in it. The active participation of students in political agitation really tends to lower the dignity and the responsible character of public life and impair its true effectiveness. It also fills the students themselves with unhealthy excitement, often evoking in them a bitter partisan spirit which cannot fail to interfere with their studies and prove injurious to their intellectual and moral growth. The period of four or five years, which most young men spend at College, is all too short a time for the work which properly belongs to it namely, preparation in knowledge and character for the responsibilities of life. Surely, it is not too much to ask our students to exercise a little patience and self-restraint during this period and refrain from action in politics, till after they have completed their studies and taken their place in the public life of the country.

I venture to think that a stage has been reached in our affairs when it is necessary for us to face resolutely

our responsibilities in this matter. Every one knows that, during the last few years, a new school of political thought has arisen in the country and that it has exercised a powerful fascination over the minds of young men more or less in all parts of India. A considerable part of what it has preached could not but find ready acceptance on every hand, that love of country should be the ruling principle of our lives, that we should rejoice in making sacrifices for her sake, that we should rely wherever we could on our own exertions. These propositions were not preached for the first time in the country, but they were urged by the new party from a hundred platforms, and in a hundred organs of public opinion, with a passion which roused general enthusiasm. Side by side with this undoubtedly valuable work, the new party gave to the country a great deal of what could only be regarded as unsound political teaching. That teaching was in the first instance directed to the destruction of the very foundations of the old public life of the country. But once started, it could not be confined to that object, and, in course of time, it came to be applied generally. Its chief error lay in its ignoring all historical considerations, and tracing our principal troubles to the existence of a foreign Government in the country. Our old public life was based on a frank and loyal acceptance of British rule due to a recognition of the fact that that rule alone could secure to the country the peace and order which were necessary for slowly evolving a nation out of the heterogeneous elements of which it was composed, and for ensuring to it a steady advance in different directions. The new teaching condemned all faith in the British Government as childish and all hope of any real progress under it as vain. Petitioning or a respectful representation of grievances to authorities, which in England was asserted as a right of the people after a long struggle, was denounced as mere mendicancy. Boycott was to be the new weapon, and its universal adoption was to bring us the realization of all our dreams.

The teaching made for a time rapid progress. It was new; it was plausible; it was attractive; and it promised short cut to Self-Government. True, the British Gov-

ernment was there, but it was to be ignored and it was expected that it would, in its turn, ignore those who ignored it. The spread of this teaching was greatly helped by the general gloom that had settled over the mind of the people during the closing years of Lord Curzon's administration. It was also helped by the apparent failure of the National Congress to secure constitutional reforms in the administration of the country in spite of many years of agitation. Our general lack of political judgment was also responsible for the large measure of acceptance which it received. Not many of us care to think for ourselves in political matters, or for the matter of that, in any public matters. Ready-made opinions are as convenient as ready-made clothes and not so noticeable. The bulk of the recruits of the new school came from the ranks of our students, and though many of the elderly adherents of that school have, by now, been more or less disillusioned about the practicality of their programme, I fear its hold over its student followers is still as strong as before. It is for this reason that I have deemed it my duty to refer to the subject here to-day.

I think those of our public men, who realize the harm which the new teaching has done, have not so far done their duty by the student community of the country. Their inaction has no doubt been due to motives of delicacy, but the result has been just as deplorable as though the duty had been deliberately shirked. I feel it is now incumbent on us to speak out freely, no matter how our conduct may be understood. We owe this to our country, we owe this to the young men themselves. As I have already said, the self-reliance part of the new programme cannot but be acceptable to all. It is in regard to the attitude towards the Government which the programme advocates that the need for a protest and a warning arises. As my friend Babu Bhupendra Nath Basu pointed out the other day in Calcutta you can no more ignore the Government than you can ignore the sun. Moreover, even if you want to ignore the Government, it is not so certain that the Government will want to ignore you. Meanwhile all this wild talk brings on re-



pression as a natural consequence which, in its turn, tends to paralyse all activity in the country. Some of the leaders of the new thought have gone so far as to talk of independence as an object of practical pursuit. Now, if any one would merely sit at home and give himself up to dreaming dreams and among them, dreams of independence for his country and every manner of perfection for his people, I would have no quarrel with him. But the moment he preaches his dream of independence as a practical policy to be pursued by his countrymen, it becomes another matter, and we then owe it to the best interests of the country to resist the propaganda with all our energy and all our resources. One has only to look round to realise where a movement for independence is bound to land us. Meanwhile, it means the sure destruction or, at any rate, the indefinite postponement of all these opportunities for slow but peaceful progress which are at present within our reach.

The worst sufferers from this propaganda have been, and will continue to be, our impulsive and simple-hearted students. When anyone talks to young men of independence in a country like this, only two ideas are likely to present themselves clearly before their mind: one how to get rid of the foreigner, and the other how soon to get rid of him. All else must appear to them as comparatively of very minor importance. The risk, which earnest-minded young men must run from such ideas fermenting in their heads, should be obvious to everybody, and the worst of it is that the more earnest the men, the greater is the risk to which they are exposed.

We hear it asserted by some advocates of independence, that their plan is to use only peaceful means for the attainment of their end. They may intend to use only peaceful means, but the Government, which certainly does not want to see its rule overthrown, will not long permit them to retain their peaceful character.

One almost feels inclined to apologise to an audience for urging on its attention considerations so obvious and so

elementary. That such reminders have become necessary only shows how easily the balance of political judgment in our country is apt to upset. Our young men must make up their minds about it that there is no alternative to British rule, not only now but for a long time to come, and that any attempts made to disturb it, directly or indirectly, are bound to recoil on our own heads. Moreover, they have to recognise if they want to be just, that this rule in spite of its inevitable drawbacks as a foreign rule, has been on the whole a great instrument of progress for our people. Its continuance means the continuance of that peace and order which it alone can maintain in the present circumstances of the country and with which our best interests, among them, those of our growing nationality, are bound up. The rulers have promised us equality of treatment with themselves, and our hope is that this equality will be gradually attained. We, on our side, have accepted the rule and have promised it our willing allegiance. On the strength of this acceptance, certain privileges have been already conferred on us, and in course of time more are bound to follow. Self-interest and good faith, therefore, alike require us to harbour no sentiment inconsistent with a continuance of this rule, and our attitude towards it must be one of loyal acquiescence.

Now, loyalty is an active feeling. It implies not merely refraining from any hostile acts against the order to which we are loyal, but also a readiness to rush to its support, if its existence is in any way threatened. If we are loyal in this spirit, we may fight if the situation requires it with a clear conscience any individual measures or any series of measures of particular administrations, with all legitimate weapons at our disposal. A magnificent instance of this has been supplied by our great countryman, Mr. Gandhi. For the last two years he has been engaged in fighting a series of harsh and insulting measures of the Transvaal Government in a manner for which we have no parallel to show. But even while so engaged, he has not given the least ground to his worst opponent, to cast any reasonable doubt on his attitude towards England. This feeling of loyalty is not one to be trotted out for official favour or

demonstrated at official bidding. It must spring out of our very love for our country and it must be sustained by our clear recognition of what is necessary in our best interests. Then, indeed, our path will be clear to us and then we shall bear patiently, aye, cheerfully, the disadvantages and even the humiliations inseparable from a foreign rule strong in the consciousness that the country needs that sacrifice of sentiment at our hands.

I have said that our rulers stand pledged to extend to us equality of treatment with themselves. This equality is to be sought in two fields, equality for individual Indians with individual Englishmen, and equality in regard to the form of Government which Englishmen enjoy in other parts of the Empire. This attainment of full equality with Englishmen, if ever it is accomplished, is bound to be a slow and weary affair. But one thing is clear. It is both our right and our duty to press forward along this road, and, further, good faith requires that we should not think of taking any other. At the end of this road, far distant from where we at present are, may be seen a house in which Frenchmen and Dutchmen are gathered with Englishmen. Whether we shall ever acquire the strength which will carry us to that house, whether we shall be admitted into it, even if we reach there, or, whether our journey will terminate in some other way the future alone will disclose. We may occasionally cast a glance at the house to cheer us up in our toil or to form to ourselves an idea of the strength needed to carry us there, but to worry at present about our probable lot in the remote future is both unnecessary and unwise.

Of the twofold equality we have to seek with Englishmen the first, though itself difficult of attainment, is not so difficult as the second. For it is possible to find in this country a fair number of Indians, who in character and capacity could hold their own against individual Englishmen. But the attainment of a democratic form of Self-Government, such as obtains in other parts of the Empire must depend upon the average strength in the character and capacity of our people taken as a whole, for it is on

our average strength that the weight of the edifice of Self-Government will have to rest. And here it must be regretfully admitted that our average to-day is far below the English average. The most important work before us, therefore, now is to endeavour to raise this average so that it may approach the English average as the French and the Dutch averages do. There is work enough for the most enthusiastic lover of his country. In fact, on every side, whichever way we turn, only one sight meets the eye, that of work to be done and only one cry is heard, that there are but few faithful workers. The elevation of the depressed classes who have to be brought up to the level of the rest of our people, universal elementary education, co-operation, improvement of the economic condition of the peasantry, higher education of women, spread of industrial and technical education, and building up the industrial strength of the country, promotion of closer relations between the different communities, these are some of the tasks which lie in front of us, and each needs a whole army of devoted missionaries. Shall the need go unsupplied? Out of the thousands of young men that leave our Universities year after year, shall not even a few hear within them the voices that speak to the spirit and respond gladly to this call? The work is the work of our country. It is also the work of humanity. If, after all the awakening of which we speak and over which we justly rejoice, these fields do not yield their harvest for want of workers, India must wait for another generation before she receives faithful service from her children.

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## EAST AND WEST IN INDIA.

*The following is the full text of a Paper read by the Hon. Mr. Gokhale at the Universal Races Congress, London, July 1911 :—*

The object of the Universal Races Congress has been described by the organisers to be "to discuss, in the light of modern knowledge and the modern conscience, the general relations subsisting between the peoples of the West and those of the East, between so-called white and so-called coloured peoples with a view to encouraging between them a fuller understanding, the most friendly feelings and a heartier co-operation." With the commencement of the twentieth century, the relations between the East and the West may be regarded as having entered on a new phase, and it is, I think, in accord with the changed spirit of the times that the West should think of summoning a Congress, where the representatives of all races, "with developed types of civilisation might meet each other face to face and might, in friendly rivalry, further the causes of mutual trust and respect between Occident and Orient." To the people of the East such a desire on the part of the people of the West is naturally a matter of profound interest and of far-reaching significance. The traditional view, so well expressed by the poet, of the changeless and unresisting East, beholding with awe the legions of the West, as they thundered past her, bowing low before the storm, while the storm lasted, and plunging back again in thought, when the storm was over, seemed for centuries to encourage—almost invite—unchecked aggression by Western nations in Eastern lands, in utter disregard of the rights or Feelings of Eastern peoples. Such aggression, however, could not go on for ever, and the protest of the Eastern world against it, as evidenced by the steady growth of a feeling of national self-respect in different Eastern lands has now gathered sufficient strength and volume to render its continuance on old lines

extremely improbable, if not altogether impossible. The victories of Japan over Russia, the entry of Turkey among constitutionally-governed countries, the awakening of China, the spread of the national movement in India, Persia and Egypt, all point to the necessity of the West revising her conception of the East—revising also the standards by which she has sought in the past to regulate her relations with the East. East and West may now meet on more equal terms than was hitherto possible, and as a first step towards such meeting the value of the Universal Races Congress cannot be overestimated.

The problem—how to ensure “a fuller understanding, the most friendly feelings and a heartier co-operation” between the East and the West—so difficult, everywhere, is nowhere else so difficult and so delicate as it is in India. In the case of other countries, the contact of the West with the East is largely external only; in India the West has, so to say, entered into the very bone and marrow of the East. For a hundred years now, more or less, India has been under the political sway of England, and the industrial domination of the country has been no less complete than the political. This peculiar relationship introduces into the problem factors of great complexity, and the conflict of interests, which it involves has to be harmonised before attempts made with the object which the Congress has in view, can possess an enduring value or produce solid results.

It is recognised on all sides that the relations between Europeans and Indians in India have grown greatly strained during the last quarter of a century. And yet Englishmen started with uncommon advantages in India. Owing to India's peculiar development, the establishment of British rule so far from being resented, was actually regarded with feelings of satisfaction, if not enthusiasm by the people over the greater part of the country. It is true that England never conquered India in the sense in which the word “conquer” is ordinarily used. She did not come to the country as an invader, nor did she fight her battles, when she had to fight them, with armies composed

of her own people. The establishment and the consolidation of her rule, which undoubtedly is one of the most wonderful phenomena of modern times, was entirely the result of her superior power of organisation, her superior patriotism and her superior capacity for Government, applied to the conditions that prevailed in India during the second half of the eighteenth and the first half of the nineteenth century. And, strange as it may seem to many, the new rule was accepted by the mass of the people as bringing them welcome relief from a more or less chronic state of disorder, and conferring on them advantages, outweighing all considerations on the other side. This was due to the fact that with all her contribution to human progress in many fields, religion, philosophy, literature, science, art—a contribution which the world is coming to recognise more and more every day, and of which Indians may well remain proud for all time—India did not develop the national idea or the idea of political freedom as developed in the West. Who exercised the sovereign authority was to her people a minor matter, as long as it was well exercised and did not seriously interfere with their religious, social or communal life. And it cannot be denied that in many essential respects the standards of Government of the new rulers compared favourably with those of the indigenous powers that were then struggling for supremacy in the land. The advantageous start thus secured was further improved by the declarations of wise and far-seeing statesmen made from time to time in those early days, as regards the policy in accordance with which the affairs of this country were to be administered. India, they declared, was to them a trust. Not England's profit but India's moral and material well-being was to be the object of the rule; Englishmen were not to form a governing caste in the country; the people of India were to be helped to advance steadily to a position of equality with them so that they might in due course acquire the capacity to govern themselves in accordance with the higher standards of the West. To fit the youth of the country for their new responsibilities, institutions were started for imparting to them Western education, and the class thus trained in the ideas of the

West was expected to act as interpreter between the Government and the people, bringing its active good-will to the support of the former. The establishment of Universities and Queen Victoria's noble Proclamation, addressed to the princes and people of India, on the morrow of the mutiny, set the final seal on this large-hearted policy.

It is necessary to bear these facts in mind to understand clearly the estrangement that has taken place, as observed above, during the last quarter of a century, between Englishmen and Indians especially that class among the Indians which has come directly or indirectly, under the influence of the education of the West. Numerically this class still constitutes but a small proportion of the whole population, but it is undoubtedly the brain of the country doing its thinking for it, and determining its public opinion. For several years this class was keenly appreciative of England's work in India and its attitude towards Englishmen, on the whole, was that of pupils to their teachers—an attitude of respect, of confidence, even of affection. The first effect of Western teaching on those who received it was to incline them strongly in favour of the Western way of looking at things, and under this influence they bent their energies, in the first instance, to a re-examination of the whole of their ancient civilisation—their social usages and institutions, their religious beliefs, their literature, their science, their art, in fact, their entire conception and realisation of life. This brought them into violent collision with their own society, but that very collision drove them closer to the Englishmen in the country, to whom they felt deeply grateful for introducing into India the liberal thought of the West, with its protest against caste or sex disabilities and its recognition of man's dignity as man—a teaching which they regarded as of the highest value in serving both as a corrective and a stimulant to their old civilisation. On one point they entertained no doubt whatever in their minds. They firmly believed that it was England's settled policy to raise steadily their political status till at last they fully participated in the possession of those free institutions, which it is the glory of the English race to have evolved



This belief, so strong at one time, began, however, gradually to weaken, when it was seen that English administrators were not in practice as ready to advance along lines of constitutional development as had been hoped and that the bulk of Englishmen in the country were far from friendly even to the most reasonable aspirations of Indians in political matters. With the rise of the new Imperialism in England during the last quarter of a century, new and clear signs became visible of a disinclination on the part of the ruling nation to carry into effect the policy to which it stood committed. Then indeed the faith of Indian reformers in the character and purposes of British rule, already tried by a feeling of suspicion, began definitely to give way. Suspicion was followed by surprise, by disappointment, by anger, and these inevitably produced a rapidly-rising anti-English feeling which especially affected the younger minds throughout the country. Things now came to be regarded in a new light. The old readiness to acknowledge freely and gratefully the benefits which India had derived from the British connection, gave way to a tendency to indulge in bitter and fault-finding criticism, directed indiscriminately against everything done by Englishmen. "Wrong in the one thing rare," what mattered it to the Indians what Englishmen did, or how they conducted themselves in other respects? While this development was taking place within the borders of India, the whole East was already being driven by those mysterious forces, which shape great events to a new life, in which a new longing to enjoy the solid advantages of a constitutional government and realise the dignity of nationhood, was combined with a new pride in the special culture and civilisation of the East, a new impatience of Western aggression and Western domination and a new faith in the destiny of Eastern peoples. India could not but be affected by those thought-currents with the rest of Asia, and the influences at work naturally received a powerful stimulus when Japan astonished the world with her victories over Russia. The steady growth of the anti-English feeling in the country was recognised by all thoughtful persons to be fraught with a serious menace to the cause of peaceful progress and the outlook was

undoubtedly very dark, when English statesmanship came to the rescue and by granting to the country a measure of constitutional reform, sufficiently substantial to meet the more pressing requirements of the day, helped largely to ease the tension and restore a more friendly feeling between the two sides.

There is no doubt whatever that the reform measures of two years ago arrested the growing estrangement between Europeans and Indians in India, and since then the situation has undergone a steady and continuous change for the better. So marked is this change over the greater part of the country that there are many who hold that the desire to understand each other and respect each other's feelings and susceptibilities was never so great as it is at the present moment. For how long these relations will thus continue to improve, and whether they will again tend to grow worse, and if so when, are questions more difficult to answer. It is well to remember that certain causes are constantly at work to produce misunderstandings and make harmonious relations between the two sides a matter of considerable difficulty. Thus the differences in temperament, the natural predisposition to look at questions from different standpoints, the tone habitually adopted by a section of the Press, both English and Indian, these make a demand on the patience of either side, which it is not always easy to meet. Then there are those cases of personal ill-treatment—happily rarer now than before—which, from time to time, attract public attention and cause infinite mischief—cases in which Indians are found to suffer insult and even violence at the hands of individual Englishmen for no other reason than that they are Indians. These are, so to say, among the standing factors of the situation, and they must, I fear be accepted as inevitable, at any rate, in the present circumstances of the country. Were these the only elements tending to give rise to misunderstanding and friction, the matter would be comparatively simple, for the interests which depend on the two communities working together with a sufficient degree of harmony are so vast and of such paramount importance to both that it would not be a very

difficult task to keep within reasonable limits such misunderstanding and friction, whenever it arose. But the real sources of trouble, which invest the future with uncertainty, lie much deeper. Is British rule to remain a rigidly foreign rule, as it lasts, or will it conform more and more to standards which alone may be accepted in these days as compatible with the self-respect of civilised people? What is to be the objective of England's policy in India? How is the conflict of interest between the two communities to be reconciled and what sacrifices may be reasonably expected from either side to render such reconciliation a living and potent reality? These and other allied questions, which really go to the root of England's connection with India, have to be answered before any prediction about the probable future of the relations between the Englishmen and Indians in India can be hazarded. The opinion is often expressed that if only Indians and Europeans will mix more largely socially, or if Indians will participate in the games and sports of Englishmen in greater numbers, a better understanding between the two sides will be established resulting in better relations generally. There is, of course, a certain amount of truth in this, and it is necessary to acknowledge that earnest efforts very recently made in several places by prominent members of the two communities to provide facilities for a better social intercourse, have contributed their share to the improvement in the situation that has taken place. But apart from the fact that such freer intercourse, unless it is restricted to individuals on either side, who are anxious to see each other's good points and are tolerant to each other's weaknesses, may produce difficulties of its own, I am firmly persuaded that as long as the consciousness of political inequality continues to be behind such intercourse, it cannot carry us far. I have no doubt that there are Englishmen in India who put away from them all thought of such inequality in their dealings with Indians, and there are also Indians who are not influenced by this consideration in their relations with Englishmen. But when this admission is made, the fact remains that as things are to-day, the humblest Englishman in the country goes about with the prestige of the whole Empire behind him whereas the proudest and most distinguished

Indian cannot shake off from himself a certain sense that he belongs to a subject race. The soul of social friendship is mutual appreciation and respect, which ordinarily is not found to co-exist with a consciousness of inequality. This does not mean that where equality does not exist, the relations are necessarily unfriendly. It is not an uncommon thing for a party which is in what may be called a state of subordinate dependence on another to be warmly attached to that other party. But such relations are only possible, if the subordinate party, assuming, of course, that its sense of self respect is properly developed is enabled to feel that its dependent state is necessary in its own interest and that the other party is taking no undue advantage of it for other ends. And this, I think, is roughly the position, as between India and England. It must be admitted that the present inequality between Englishmen and Indians, as regards their political status, can only be reduced by degrees and that a considerable period must elapse before it is removed altogether. Meanwhile Indians must be content to continue in a position of subordinate dependence, and the extent to which a "a fuller understanding, the most friendly feelings and a heartier co-operation" can be promoted between them and Englishmen, must depend upon how they are enabled to realise that British rule is necessary for their progress and that British policy in India has no other aim than their advancement. Any doubt on this point in the Indian mind will mean the weakening of the tie which binds the two countries and will not fail in the end to nullify the most beneficent administrative measures. Assured on this point, on the other hand, Indians will not allow even serious administrative mistakes to alienate them in feeling or sympathy from the country under whose away they find themselves placed, and with whose guidance they hope to advance to their appointed destiny.

It may appear to some that too much stress is being laid in this paper on what may be termed the political development of the people of India and that no attempt is being made to discuss how, leaving political considerations alone, Europeans and Indians may be helped to

acquire a deeper and more sympathetic understanding of each other's special culture and civilisation and how a heartier co-operation may be established between them in the pursuit of knowledge, or the service of humanity—"for the greater glory of God and the relief of man's estate." So far as the understanding of Europe by India is concerned, the work is being carried on with great vigour under the auspices of the Indian Universities, which have now been in existence for more than fifty years. The very object of these Universities is to promote Western learning in the land and successive generations of Indian students have been and are being introduced by them to a study of Western literature and history, Western philosophy and Western sciences. And various missionary bodies have been presenting, for a century and more, the religion of the West to the people of India. Through these agencies, a knowledge of Western society, of its traditions, its standards, its achievements, its ideals, its outlook on life and its problems, its methods of realising itself—has been rapidly spreading in the country and the insight thus acquired is, on the whole, sympathetic and marked by deep and genuine appreciation. It is to be regretted that in the English side there is no corresponding attempt to study and understand India. It is true that individual Englishmen have done monumental work in interpreting India to the West, but neither in England nor among Englishmen in this country is there any sympathetic study of Indian culture and civilisation, with the result that the very few Englishmen, in spite of a fairly prolonged stay in this country, acquire any real insight into them. It is a curious fact, and one of no small significance, that in this matter Germany is far ahead of England, and even America bids fair to go beyond her. It is obvious that there is great room for improvement here, and if one result of the present Congress will be to stimulate among Englishmen a study of Indian culture and civilisation in a sympathetic spirit, the Congress will have rendered a great service to India. But while it is undoubted that such study, especially if it leads to increased respect for India by Englishmen, will contribute materially to improve the relations between the two sides, there is no

getting away from the fact that as the contact between England and India at present is predominantly political, it is on the attitude of Englishmen towards the political advancement of India that the future of these relations will mainly turn. The question, therefore, how to promote "the most friendly feelings" between the East and the West in India resolves itself largely into how England may assist India's political advancement.

The political evolution to which Indian reformers look forward is representative Government on a democratic basis. The course of this evolution must necessarily be slow in India, though it need not be as slow as some people imagine. It is true, as Lord Morley pointed out three years ago, that a long time must elapse before India takes those countless, weary steps that are necessary to develop a strong political personality. But a beginning has been made and the movement can now only be forward and not backward. The difficulties that tend to retard the movement are undoubtedly great and at times they threaten to prove quite overwhelming. But every day the forces that urge us grow stronger and in the end the difficulties will be overcome. It is unnecessary to say that it is largely in England's power to hasten or delay this evolution. If England wants to play her part nobly in this mysterious and wonderful drama, her resolve to help forward this advance must be firm and irrevocable and not dependent on the views, predilections or sympathies of individual administrators, whom she may, from time to time, charge with the direction of Indian affairs. I think the time has come when a definite pronouncement on this subject should be made by the highest authority entitled to speak in the name of England, and the British Government in India should keep such pronouncement in view in all its actions. There is a class of thinkers and writers among Englishmen with whom it is an axiom that Oriental people have no desire, at any rate, no capacity for representative institutions. This cool and convenient assumption is not standing the test of experience and in any case no self-respecting Indian will accept it; and it is astonishing that those men who thus seek to shut the door in the face of Indian

aspirations, do not realise how thereby they turn the Indian mind against those very interests for whose support they probably evolve their theories. The first requisite then of improved relations on an enduring basis, between Englishmen and Indians, is an unequivocal declaration on England's part of her resolve to help forward the growth of representative institutions in India and a determination to stand by this policy, in spite of all temptations or difficulties. The second requisite is that Indians should be enabled to feel that the Government under which they live, whatever its *personnel*, is largely and in an ever-increasing measure *national* in spirit and sentiment and in its devotion to the moral and material interests of the country. Thus, outside India, Indians should feel the protecting arm of the British Government behind them, ready to help them in resisting oppression and injustice. The monstrous indignities and ill-treatment to which the people of this country are being subjected in South Africa, have aroused the bitterest resentment throughout the land. On the other hand, the recent action of the Government of India in prohibiting the supply of indentured labour from this country to Natal, has evoked a feeling of deep and widespread satisfaction, which cannot fail to have its effect on the general relations between Europeans and Indians in the country. Among matters bearing on the moral and material well-being of the people, the Government should lose no more time now in dealing with education in all its branches, in a national spirit—especially with mass education and technical education. It is a humiliating reflection that while in most other civilised countries universal elementary education has long been accepted as one of the first duties of the State, while within the borders of India itself the Feudatory State of Baroda has found it practicable to introduce a system of free and compulsory primary education for both boys and girls, in India seven children out of eight are still allowed to grow up in ignorance and darkness, and four villages out of five are without a school! And as regards technical education, while our Engineering Colleges, which were started as far back as fifty years ago, are still training only subordinates for the Public Works Department of Government, Japan,

starting much later, has already provided herself with a complete system of technical education in all its grades. The third requisite, on which it is necessary to insist, is that England should send out to India less and less of those who are not of her best. From the best Englishmen, Indians have yet to learn a great deal, and their presence in the country will strengthen and not weaken India's appreciation of what she owes to England. But it should be realised that though the Indian average is still inferior to the English average and will continue to be so for some time, individual Indians are to be found in all parts of the country, who in character capacity and attainments, will be able to hold their own anywhere. And when Englishmen, inferior to such men, are introduced into the country and placed in higher positions, a sense of unfairness and injustice comes to pervade the whole Indian community, which is very prejudicial to the cultivation or maintenance of good feeling. Fewer and better men, sent out from England, better paid if necessary will prevent England's prestige from being lowered in India, and this in present circumstances is a consideration of great importance. The fourth and last requisite that I would like to mention is the extreme necessity of such Englishmen as come out to this country realising the profound wisdom of the advice, urged on them some time ago by Lord Morley, that while bad manners are a fault every where, they are in India "a crime". I think Englishmen in India cannot be too careful in this respect. The only safe thing that any one can say about the future of India is that it is still enveloped in obscurity but I believe wholeheartedly in a great destiny for the people of my land. We still retain many of those characteristics which once placed us in the van of the world's civilisation—the depth of our spirituality, our serene outlook on life, our conceptions of domestic and social duty. And other races that have from time to time come to make their home here have brought their own treasure into the common stock. The India of the future will be compounded of all these elements reinforcing one another, but a long process of discipline and purification and real adjustment is necessary, before she gathers again the strength required for her allotted



task. In this work of preparation, it has been given to a great Western nation to guide and help her. And if craven or selfish counsels are not allowed to prevail, England will have played the noblest international part that has yet fallen to the lot of humanity. When the men and women of India begin again to grow to the full height of their stature and proclaim to the world the mission that shall be theirs, a great stream of moral and spiritual energy, long lost to view, will have returned to its channel, and East and West, white and dark and yellow and brown—all have cause alike to rejoice.

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## POST-WAR REFORMS FOR INDIA.

*With reference to this Scheme the Hon. Mr. V. S. Srinivasa Sastri (Mr. Gokhale's successor as President of the Servants of India Society) stated in a communication to the Press, that it was only a draft prepared by Mr. Gokhale a few months after the outbreak of the war, at the instance of H. E. Lord Willingdon, (then Governor of Bombay) as a Scheme of Reforms to be inaugurated by Government of their own accord to avoid the then growing discontent of the country. H. H. the Aga Khan who was one of the few consulted by Mr. Gokhale published this scheme in August 1917.*

### PROVINCIAL AUTONOMY.

The grant of Provincial Autonomy foreshadowed in the Delhi Despatch, would be a fitting concession to make to the people of India at the close of the war. This will involve the two-fold operation of freeing the Provincial Governments on one side from the greater part of the control which is at present exercised over them by the Government of India and the Secretary of State in connection with the internal administration of the country, and substituting on the other, in place of the control so removed, the control of the representatives of tax-payers through Provincial Legislative Councils. I indicate below in brief outline the form of administration that should be set up in different Provinces to carry out this idea.

Each Province should have :—

1. A Governor appointed from England at the head of the Administration.
2. A Cabinet or Executive Council of six members three of whom should be Englishmen and three Indians with the following portfolio :—
  - (a) Home (including Law and Justice),
  - (b) Finance,
  - (c) Agriculture, Irrigation and Public Works.

- (d) Education.
- (e) Local Self-Government (including Sanitation and Medical Relief).
- (f) Industries and Commerce.

While members of the Indian Civil Service should be eligible for appointment to the Executive Council, no place in the Council should be reserved for them, the best men available being taken both English and Indian.

(3) A Legislative Council of between 75 and 100 Members of whom not less than four-fifths should be elected by different constituencies and interests. Thus in the Bombay Presidency, roughly speaking, each District should return two members, one representing Municipalities and the other District and Taluk Boards. The City of Bombay should have about ten members allotted to it. Bodies in the Mofussil like the Karachi Chamber, Ahmedabad mill-owners, Deccan Sardars should have a member each. Then there would be the special representation of Mahomedans and here and there a member may have to be given to communities like the Lingayats where they are strong. There should be no nominated non-official members except as experts. A few official members may be added by the Governor as experts or to assist in representing the Executive Government.

4. The relations between the Executive Government and the Legislative Council so constituted should be roughly similar to those between the Imperial Government and the Reichstag in Germany. The Council will have to pass all Provincial legislation and its assent will be necessary to additions to or changes in Provincial taxation. The Budget too will have to come to it for discussion and its resolutions in connection with it, as also on questions of general administration will have to be given effect to unless vetoed by the Governor. More frequent meetings or longer continuous sittings will also have to be provided for. But the members of the Executive Government shall not depend, individually or collectively, on the support of a majority of the Council, for holding the offices.

5. The provincial Government, so reconstituted and working under the control of the Legislative Council, as outlined above, should have complete charge of the internal administration of the Province and it should have virtually independent financial powers, the present financial relations between it and the Government of India being largely revised,—and to some extent even reversed. The revenue under Salt, Customs, Tributes, Railway, Post, Telegraph and Mint should belong exclusively to the Government of India, the services being Imperial while that under Land Revenue, including Irrigation, Excise, Forests, Assessed taxes, Stamps and Registration, should belong to the Provincial Government, the services being Provincial. As under this division, the revenue falling to the Provincial Government will be in excess of its existing requirements and that assigned to the Government of India will fall short of its present expenditure, the Provincial Government should be required to make an annual contribution to the Government of India fixed for periods of five years at a time. Subject to this arrangement the Imperial and the Provincial Governments should develop their separate systems of finance, the Provincial Governments being given powers of taxation and borrowing within certain limits.

Such a scheme of Provincial Autonomy will be incomplete unless it is accompanied by (a) liberalizing of the present form of District administration and (b) a great extension of Local Self-Government. For (a) it will be necessary to abolish the Commissionerships of Divisions except where special reasons may exist for their being maintained as in Sind and to associate small District Councils, partly elected and partly nominated, with the Collector for whom most of the present powers of the Commissioners could then be transferred—the functions of the Councils being advisory to begin with. For (b) Village Panchayats, partly elected and partly nominated should be created for villages and groups of villages and Municipal Boards in towns and Taluk Boards, the Talukas should be made wholly elected bodies, the Provincial Government reserving to itself and exercising stringent powers of control. A portion of the excise revenue should be

made over to those bodies so that they may have adequate resources at their disposal for the due performance of their duties. The District being too large an area for efficient Local Self-Government by an honorary agency, the functions of the District Boards should be strictly limited and the Collector should continue to be its ex-officio President.

#### THE GOVERNMENT OF INDIA.

1. The Provinces being thus rendered practically autonomous, the Constitution of the Executive Council or the Cabinet of the Viceroy will have to be correspondingly altered. At present there are four members in that Council with portfolios which concern the internal administration of the country,—namely, Home, Agriculture, Education and Industries and Commerce. As all internal administration will now be made over to Provincial Governments and the Government of India will only retain in its hands nominal control to be exercised on very rare occasions, one member to be called member for the Interior should suffice in place of these four. It will, however, be necessary to create certain other portfolios and I would have the Council consist of the following six members at least two of whom shall always be Indians.

(a) Interior, (b) Finance, (c) Law (d) Defence, (e) Communications (Railways, Post and Telegraph,) and (f) Foreign.

(a) The Legislative Council of the Viceroy should be styled the Legislative Assembly of India. Its members should be raised to about one hundred to begin with and its powers enlarged, but the principle of an official majority (for which perhaps it will suffice to substitute a nominated majority) should for the present be maintained, until sufficient experience has been gathered of the working of autonomous arrangements for Provinces. This will give the Government of India a reserve power in connection with Provincial administration to be exercised in emergencies. Thus if a Provincial Legislative Council persistently decline to pass legislation which the Government regard to be essential in the vital interests of the Province it could be

passed by the Government of India in its Legislative Assembly over the head of the Province. Such occasions would be extremely rare, but the reserve power will give a sense of security to the authorities and will induce them to enter on the great experiment of Provincial Autonomy with greater readiness. Subject to this principle of an official or nominated majority being for the present maintained the assembly should have increased opportunities of influencing the policy of the Government by discussion, questions connected with the Army and Navy (to be now created) being placed on a level with other questions. In fiscal matters the Government of India so constituted should be freed from the control of the Secretary of State whose control in other matters too should be largely reduced, his Council being abolished and his position steadily approximated to that of the Secretary of State for the Colonies.

Commissions in the Army and Navy must now be given to Indians, with proper facilities for Military and Naval instructions.


German East Africa, if conquered from the Germans, should be reserved for Indian colonization and should be handed over to the Government of India.

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## **APPENDICES**

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**EVIDENCE BEFORE COMMISSIONS.**





# PART VI.

## EVIDENCE BEFORE COMMISSIONS.

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### THE WELBY COMMISSION.

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#### EVIDENCE-IN-CHIEF OF

#### GOPAL KRISHNA GOKHALE.

*April 12th and 13th, 1897.*

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#### QUALIFICATIONS.

I am the Honorary Secretary of the Deccan Sabha, an Association established in Poona for promoting under British rule the political interests of the Indian people. For seven years I was the Honorary Secretary of the Poona Sarvajanic Sabha—another political Association in Poona of a similar character—and Honorary Editor of its Quarterly Journal, a magazine dealing principally with questions of Indian Finance and Indian Administration. I am, besides, a member of the Council of the Bombay Presidency Association, on whose behalf my friend, Mr. Wacha, has given evidence before this Commission. For four years I was one of the Secretaries of the Bombay Provincial Conference. I was also a Secretary of the Eleventh Indian National Congress which met in Poona in 1895. I was for four years one of the Editors of the *Sudharak*, or “Reformer,” an Anglo-Marathi weekly of Poona. Lastly, I belong to a body of men in Poona who have pledged twenty years of their life to the work of education, and am Professor of History and Political Economy in Fergusson College.

#### DIVISION OF EVIDENCE.

In accordance with the plan adopted by the Commission, I will divide my evidence into three portions—the Machinery of Control, the Progress of Expenditure, and the Apportionment of Charges between England and India.

## MACHINERY OF CONTROL.

The question of the machinery of Constitutional Control is, in my opinion, a question of the highest importance. I may state, at the outset, that the position of India, so far as the administration and management of her expenditure is concerned, is somewhat exceptional. In the United Kingdom and the Colonies, public expenditure is administered under the control of the tax-payers, and, therefore, presumably solely in the interests of the tax-payers. In India, however, other interests are often deemed to be quite of equal importance, and sometimes, indeed, they are allowed to take precedence of the interests of the Indian people. Thus we have, first of all, the standing claims of the interests of British Supremacy, entailing a vast amount of expenditure, the benefit of which goes to others than the tax-payers of the country. The large European Army maintained on a war footing in time of peace, the practical monopoly of nearly all the higher offices in the Civil Services by Europeans, and the entire monopoly of such offices in the Native Army, illustrate what I mean. I do not deny that this supremacy in itself has been a great advantage to India, but what I mean is that the price exacted for this advantage is beyond all proportion too high. We next have the interests of the extension of British dominion in the East. Large sums have been from time to time spent in the past for this purpose out of the Indian Exchequer—in many instances in spite of the protests of the Indian Government—and if things continue as at present, this misapplication of India's money is not likely to stop. All expenditure incurred in connection with the Afghan and Burmese wars, the extension of the Northern and North-Western Frontiers and the utilisation of Indian troops for Imperial purposes, is expenditure of this description. Then there are the interests of the European Civil and Military Services in India. The extravagant privileges conceded to Staff Corps Officers in 1866 have, it is now admitted on all hands, imposed, and improperly imposed, a heavy charge on the Indian revenues. The re-organisation of the Public Works Department in 1885 may be cited as another illustration. The Finance Committee of 1886, appointed by Lord Dufferin's Government, consisting of men like Sir Charles Elliot, late Lieutenant-Governor of Bengal, Mr. Justice Cunningham, Sir W. W. Hunter, Mr. (now Sir James) Westland, Mr. Justice Ranade, and others, thus expressed themselves on this subject:—"The re-organisation of the (Public Works) Department was undertaken in consequence of an agitation on the part of European Civil Engineers employed in it, which was conducted in a manner likely, in our opinion, to have a bad effect on discipline, and, therefore, deserving of the disapproval of Government. It seems to us to have violated the orders of Government on the subject of combinations by its servants. Such an agitation would not have been permitted in any other Department, and should not

again be allowed. The object of the re-organisation was to improve the position of the officers of the Department generally, and in particular to remove the block of promotion, which had arisen from the excessive number of recruits obtained from Cooper's Hill College in the earlier years of that Institution. During the continuance of the discussion, which we have summarised, great attention was given to the grievances of the officers of the Department, but a careful consideration of the whole subject leads us to doubt whether the measures sanctioned were altogether suitable either in kind or in respect of the classes to which they were applied. They mostly consisted of increments of pay to the Executives of the third and fourth grades, and to the Assistant Engineers of the first and second grades—none of which classes of officers were at the time, so far as we understand the case, in particular need of special assistance, and of the grant of greatly improved pensions to all officers of both classes; and they were made perpetual in their application." The concession made in 1890, to uncovenanted Civil Servants whose pensions were fixed in rupees, that these pensions should be converted into sterling at the rate of 1s. 9d. to the rupee, and the grant of Exchange Compensation Allowance to all non-domiciled European and Eurasian Employees of Government indiscriminately, are more recent instances. I will return to all these cases later on. Lastly, the interests of British commerce and of British commercial and moneyed classes often prevail over the interests of the Indian tax-payers. I might have mentioned the abolition of Import Duties during the administration of Lord Lytton and Lord Ripon, as also the Tariff Legislation of last year, as instances. But they do not come under expenditure, and may, therefore, possibly be regarded as irrelevant. But the wasteful nature of many Railway Contracts; the extraordinary help given to the Orissa Company, the Madras Irrigation Company, and such other bodies of English investors; the vigour with which the construction of railways is being pushed on, programme following programme almost in breathless succession, in spite of the protest of the Finance Minister that the finances of the country now needed a respite in that direction; the conquest and annexation of Burmah, practically at the bidding of a powerful English Trading Company—these are instances which are not open to the same objection. The frequent subordination of the interests of the Indian tax-payers to these other interests makes it all the more imperative that the machinery of constitutional control should provide adequate safeguards for a just and economical administration of the Indian expenditure, and yet, I fear, nowhere are the safeguards more illusory than in our case.

#### THE MACHINERY AS IT EXISTS AT PRESENT.

The spending authorities in the matter of Indian expenditure are :—The Local Governments, the Government of India

and the Secretary of State in Council (to which we must also add the Secretary of State in the Secret Department). The controlling authorities at present are:—The Government of India controlling the Provincial Governments, the Secretary of State in Council controlling the Government of India (the Council sometimes tries to control the Secretary of State, but it is now much more dependent on him than it was once), and Parliament in theory controlling all. Now in the first place, all this is purely official control, unless, indeed, by a stretch of words, we regard the theoretical control of Parliament as to some extent popular. Real popular control, in the sense of control by tax-payers, is, practically speaking, entirely absent from the whole system. There are, no doubt, the Local and Supreme Legislative Councils in India. But so long as the Budgets are offered for criticism only and have not got to be passed, and so long as the members are not allowed to move any resolution in connection with them, they cannot be called controlling bodies in any proper sense of the expression. Secondly, I venture to think that even this official control, such as we have it, is, except in the case of Provincial Governments, of very little value from the tax-payers' point of view. The Local Governments are, indeed, controlled and more than controlled officially, are, in fact, crippled. But as regards the Government of India and the Secretary of State in Council, where they are in agreement, their powers of incurring increased expenditure are almost unlimited; and, unfortunately, they are generally found to be in accord in matters in which the Indian tax-payer feels a direct interest, their differences being usually about matters for which he cares little or nothing. Lastly, Section 55 of the Government of India Act of 1858 is supposed to give protection to Indian revenues against their application to extra-Indian purposes. But it is now well-known how that Section has failed to attain its object in practice.

#### ITS REAL NATURE AND RESULTS.

The results of this state of things have been very unfortunate. Under the East India Company, our revenues were certainly much better protected. The Company's Government was, so to speak, a strong buffer between Indian interests and Imperial interests, and as Sir Charles Trevelyan has observed, it was often able to offer a successful resistance to the demands of the Queen's Government. The inquiry which Parliament used to make into Indian affairs every twenty years in those days, and the spirit of jealous wakefulness which it used to manifest on those and other occasions, were a further protection to Indian interests. With the establishment of the direct administration of the Crown, all this is gone, and the administration of the Indian Revenues is now practically entrusted to a Cabinet Minister, assisted by a Council of his own nomination—a Minister

who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics rather than to Indian interests, and who is peculiarly liable to be swayed by the varying currents of English public opinion and other English influences. All financial power in regard to expenditure—executive, directive, and controlling—is centered in his hands, and with all this vast concentrated power he has really no responsibility, except to the Cabinet of which he is a member, and of whose support he is always assured, and to Parliament, where he has a safe majority behind him in virtue of his position as a Cabinet Minister. The position virtually amounts to this, that it is the administration of the finances of one country by the Executive Government of another, under no sense of responsibility to those whose finances are so administered. And for years past we have been treated as a vassal dependency, bound to render services to the suzerain power, and to place our resources, whenever required, at its disposal. As a result millions upon millions have been spent on objects which have not advanced the welfare of the Indian people so much as by an inch—even the empty sense of glory, which is a kind of barren compensation to self-governing nations for such large expenditure of money, is not available to us as a consolation. And not only have these vast sums been thrown away in the past—thrown away, of course, from the Indian tax-payers' point of view—but as a direct result of that expenditure the country is now pledged to indefinite and possibly vaster liabilities in the future. And all this has gone on while the expenditure on objects which alone can secure the true welfare and prosperity of the people has been woefully neglected. The principal defects in the existing arrangements to which, in my humble opinion, these deplorable results are to be traced, are two:—(1) Autocratic financial power practically concentrated in the hands of a member of the Imperial executive without adequate securities for its due exercise; and (2) the absence of effective protection to India against financial injustice at the hands of the Imperial Government, there being no impartial tribunal left to appeal to for redress of such wrong, and no constitutional power to resist unjust demands.

#### THE COUNCIL OF THE SECRETARY OF STATE.

When the Government of India was transferred from the Company to the Crown, the Secretary of State's Council was intended to be a check on him; and guarantees were provided for securing the independence of members. But these guarantees have, nearly all of them, been swept away by the Amending Acts of 1868 and 1876. Under the arrangements of 1858, the members of the Council were to hold their office during good behaviour, and were not removable except on the address of both

Houses of Parliament. They were thus placed in a position of dignified independence to exercise the important powers of control entrusted to them under the Act. The Act of 1869, however, profoundly modified this position of the Council. It provided that all appointments to the Council were thereafter to be made by the Secretary of State. The members were to hold office for ten years only, and for special reasons to be communicated by the Secretary of State to Parliament they might be re-appointed. These modifications at once lowered the position of the members, destroyed the independence of the Council, and virtually left the Secretary of State supreme in the direction of affairs. The Council was, in fact, reduced to the status of a subordinate Consultative Board, to be composed of the nominees of the Secretary of State—stripped of its original dignity and independence, and left unfitted for the proper discharge of its high constitutional functions. The Act of 1876 empowered the Secretary of State to appoint three of the members for life, thus throwing additional power into his hands. Moreover, the machinery of the Secret Department enables the Secretary of State to order a course of action which may practically render large expenditure inevitable without the knowledge of his Council.

#### THE GOVERNMENT OF INDIA AND THE FINANCE MINISTER.

Subject to the control of the Secretary of State, which often is only nominal, the Government of India can administer the Indian revenues practically as they please. The testimony of Sir A. Colvin and Sir D. Barbour on this point is of great importance. Sir A. Colvin was careful to point out that the present weakness of the Finance Minister's position dates virtually from 1885. That being so, it is evident that the dissent of Lord Cromer as also of Lords Northbrook and Ripon, from their view, is beside the point. It is true that Lord Lansdowne and Lord Roberts do not endorse the view of the two Finance Ministers. But this was only to be expected, seeing that they themselves are the party against whom the complaint was directed. When Sir A. Colvin and Sir D. Barbour say that with the Viceroy on his side, the Finance Minister is as strong as he ought to be, and when they complain of the weakness of his position during their time, the only inference to be drawn from that is that the Viceroys under whom they served—*viz.*, Lords Dufferin and Lansdowne—were not of an economical turn of mind, and of course we cannot expect Lord Lansdowne to concur in that view.

#### SUMMING UP.

The whole position may thus be summed up.

1. The buffer of the Company's Government, which fairly protected Indian interests, is gone, and there is no effectual substitute.

2. We have no effective constitutional safeguards against the misapplication of our revenues for extra Indian requirements.

3. The control vested in the Council of the Secretary of State under the statute of 1858 is rendered almost nugatory by the alteration of its status under recent Amending Acts.

4. The control of Parliament, as against the Secretary of State, has become entirely nominal, owing to the latter being a member of the Imperial Executive, with a standing majority behind him. The old periodical inquiry by Parliament and its jealous watchfulness are gone. In fact we have at present all the disadvantages of Parliamentary Government without its advantages. In the case of all Departments except the Indian, ex-Ministers think it their duty, and also feel it to be their interest, to exercise the closest watch on the proceedings of their successors with a view to passing the most adverse criticism that may be possible. In regard to India alone, ex-Ministers vie with, and sometimes even go beyond, their successors in extolling all that exists and all that is done. The responsible Opposition in this country thus abdicates its functions in the case of India only.

5. The Government of India, as at present constituted, cannot be much interested in economy. Almost all internal administration having been made over to Local Governments under the Decentralization Scheme, questions of foreign policy, large public works, and military questions absorb almost the whole attention of the Government of India. Further, the Finance Minister excepted, every other member of Council, including, since 1885, the Viceroy, has a direct interest in the increase of expenditure.

6. Neither in England nor in India is there the salutary check of public opinion on the financial administration. Parliament is ill-informed and even indifferent. And the Supreme and Local Legislative Councils are simply powerless to control expenditure, since the Budgets have not to be passed, and no resolutions in reference to them can be moved.

#### REMEDIES :—

*1st.—Voting the Budget in the Supreme Legislative Council, official majority being retained.*

Coming to the question of remedies, I think it is, in the first place, absolutely necessary that the Indian Budget should be passed, item by item, in the Viceregal Legislative Council. Government may retain their standing majority as at present, and that means an absolute guarantee that no adverse vote will be carried against them. We have no wish to see the Government of India defeated on any point in the Supreme Legislative Council but the moral effect of recording, and, so to say, focusing by means of divisions, non-official disapproval of certain



items of expenditure will, I expect, be very great. It must be remembered that while large questions of policy can be discussed and settled with advantage only in this country, the details of Indian expenditure can be criticised effectively and with the necessary amount of knowledge only in India. I would also provide that when a certain proportion of the non-official members of the Supreme Legislative Council—say, more than half—are of opinion that the voting of a particular sum by the Council is prejudicial to Indian interests, they may, if they please, draw up a statement of their case and submit it through the Government of India to a Committee of Control, which, I venture to suggest, should be created in this country.

*2nd.—Creation of a Committee of Control. Non-official Members of Viceroy's Council may appeal to this body.*

The creation of such a Committee of Control is a matter of the most vital importance. A Standing Committee of the House of Commons has been suggested, and would, I think, do very well. Or the Judicial Committee of the Privy Council might be entrusted with the work. Or even the Arbitration Committee, which now seems likely to be created, might do for this purpose, and the duty of reporting to Parliament from time to time on matters of Indian Finance may be assigned to it. But whatever the form, the Committee should have absolutely no powers of initiating expenditure, else, like the old so-called Board of Control it will do more harm than good. The Committee should take cognizance of all appeals addressed to it by the non-official members of the Viceroy's Council, and may also call for papers of its own accord, and exercise general control over the administration of Indian expenditure. The proceedings should be reported to Parliament from time to time. If some such body were called into existence, the mere fact that non-official members will be in a position to appeal to it, thereby putting the Government of India and the Secretary of State on their defence, will have a tremendous moral effect, which will make for economy and sound finance in a very striking manner. There is nothing in this which will in any way affect the directive and executive powers of the Secretary of State or the Government of India. The plan provides only for a reasonable amount of control, and will enable the representatives of Indian tax-payers, who have no powers of controlling expenditure, to make a complaint in a responsible and constitutional manner.

*3rd.—Amendment of Section 55 of the Act of 1858.*

Further I would suggest that Section 55 of the Government of India Act of 1858 be amended. This Section, as it stands at present, enacts that "except for preventing or repelling actual invasion of Her Majesty's Indian possessions, or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable

to defray the expenses of any military operation carried on beyond the external possessions of such frontiers by Her Majesty's forces charged upon such revenues." Now this only safeguards the controlling powers of Parliament, and does not provide, as is commonly believed, against the diversion of our monies from their legitimate use, the only thing secured being that the sanction of Parliament shall be obtained for such diversion—a sanction that can be obtained without any difficulty. Now this is not sufficient and has been of little use in practice, and I would press for an express and absolute statutory provisions, giving us a complete guarantee against the misappropriation of our revenues for purposes unconnected with our interests. I, therefore, beg to suggest that Section 55 of the Government of India Act of 1858 be so amended as to provide that, except in case of actual or threatened invasion, the revenues of India shall not be used for military operations beyond the natural frontiers of India (these frontiers being once for all defined), unless, at any rate, a part of such expenditure is put on the English estimates.

*4th.—Legislative Councils of Madras, Bombay, Bengal, North West Provinces, Punjab and Burmah to return one Member each to the Imperial Parliament.*

Further, I would urge that the elected members of the Legislative Councils of Madras, Bombay, Bengal, N. W. Provinces, and now Punjab and Burmah, be invested with the power of returning to the Imperial Parliament one member for each Province. Six men in a House of 670 would introduce no disturbing factor, while the House will be in the position to ascertain Indian public opinion on the various questions coming up before it in a constitutional manner. I may mention that the small French and Portuguese Settlements in India already enjoy a similar privilege. Here, again, I rely more upon the moral effect of the course proposed than upon any actual results likely to be directly achieved.

*5th.—Special knowledge of Finance to be a necessary qualification of the Viceroy.*

The last suggestion that I have to make on this subject is that, as far as possible, Indian Viceroys should be selected from among men who have earned a distinct position for themselves for their grasp of intricate problems of finance. Among the First Ministers of England no greater names can be mentioned than those of Walpole, Pitt, Peel, Disraeli, and Gladstone. And all these men were great Finance Ministers. I know men in the very front rank of English politics do not care to go to India, but all the same, if men noted for their knowledge of Finance, like Mr. Goschen, for instance, were induced to accept the Viceroyalty of India, the arrangement would produce decidedly beneficial results. It would be a great advantage to all if the

Viceroy, instead of being his own Minister for Foreign Affairs, were to be his own Finance Minister.

At any rate, his immediate connection with the Foreign Department should cease, the Department being placed like other Departments in charge of a separate member of the Executive Council.

### PROVINCIAL FINANCE.

I now come to the very interesting and important subject of Provincial Finance. While gratefully acknowledging that the Decentralisation policy has done a great deal of good, even as far as it has gone, I think the time has come when an important further step ought to be taken. It is now fifteen years since this policy was carried to the point at which it now stands by the Government of Lord Ripon. The fact that nearly the whole internal administration of the country is in the hands of the Provincial Government, explains why the people of India are so anxious to see the position of Provincial Governments in the matter of Finance strengthened much more than what it is at present. The expenditure administered by the Provincial Governments is principally devoted to objects which are intimately connected with the well-being of the people; and the larger, therefore, this expenditure, the better for them. The chief effects of the existing arrangements are the following:—

1. The "so-called Provincial Contracts"—to use Sir James Westland's expression—are really only one-sided arrangements practically forced on the weak Provincial Governments by the Government of India, which is all-powerful in the matter. The contracting parties not being on a footing of equality, the Government of India virtually gives the Provincial Governments such terms as secure the maximum advantage to itself, and the power which it possesses of disturbing the contracts even during the period of their currency leaves the Provincial Governments in a state of helplessness and insecurity, and all this is very prejudicial to the interests of the internal administration of the country. A reference to the tables given on pages 47 and 48 of Appendix, Section I, of the Evidence recorded by this Commission will at once show how at each successive revision the Government of India, while keeping to itself all the growth of revenue which had accrued to it as its share of the normal expansion, has in addition resumed a large portion of the share of growth that had accrued to the Provincial Governments compelling them thereby to cut down their expenditure in the first year or two of each new contract. Thus, taking Bombay as an illustration, we find that in 1886-87, the last year in which the Contract of 1882, its expenditure was Rs. 3,998,912. This expenditure had, however, to be reduced to Rs. 3,814,500 in 1888, the first year of the next contract, and it was not till

1891-92 that the level of 1886-87 was again reached, when at the next revision, it was again put back. The same is the case with almost every other Province. How sore is the feeling of Provincial Government on this subject may best be seen from the following remarks which the Lieutenant-Governor of Bengal thought it his duty to make in the matter in the Supreme Legislative Council last year :—"I must say I deprecate the way in which these quinquennial revisions have too frequently been carried out. The Provincial sheep is summarily thrown on its back, close-clipped and shorn of its wool, and turned out to shiver till its fleece grows again. The normal history of a Provincial Contract is this—two years of screwing and saving and postponement of works, two years of resumed energy on a normal scale, and one year of dissipation of balances in the fear that if not spent they will be annexed by the Supreme Government, directly or indirectly, at the time of revision. Now all this is wrong, not to say, demoralizing. I say the Supreme Government ought not to shear too closely each quinquennium. It is as much interested in the continuity of work as the Local Governments, and ought to endeavour to secure this and avoid extreme bouleversements of the Provincial finances. . . . It would be an immense gain to Local Administrations if the Government of India could see its way to renewing the contracts with as little change as practicable on each occasion. It is only in this way that the element of fiscal certainty, which was put forward in 1870 as one of the main objects of decentralization, can be secured. Hitherto we have had but little of certainty." A similar protest was made last year by the Lieutenant-Governor of the N.-W. Provinces from his place in the Legislative Council of that Province, and this year the Government of Madras has addressed a very strong remonstrance against the surrender of an additional 24 lakhs of rupees a year demanded by the Supreme Government.

2. There is no fixed or intelligible principle on which these contracts are based—no uniformity in their plan, no equality in the burdens which they impose on the different Provinces. The share of Imperial expenditure which the different Provinces have to bear is not determined by any tests of population or revenue. A calculation made by Sir James Westland, and printed on page 400 of the second volume of the Finance Committee's Report, gives the following results :—

The proportions or percentages of revenue surrendered by each Province to the Supreme Government are as follows :—

	Per cent.
Indian Districts (General) ... ..	26
Central Provinces ... ..	56
Burma ... ..	58

							Per cent.
Assam	...	...	...	...	...	...	51
Bengal	...	...	...	...	...	...	68
N.-W. Provinces	...	...	...	...	...	...	76
Punjab	...	...	...	...	...	...	45
Madras	...	...	...	...	...	...	52
Bombay	...	...	...	...	...	...	46

The contribution of each Province per 100 of the population is as follows:—

Province.					Rupees contributed per 100 of population.
					Rs.
Central Provinces	...	...	...	...	71
Burmah	...	...	...	...	312
Assam	...	...	...	...	97
Bengal	...	...	...	...	107
N.-W. Provinces...	...	...	...	...	177
Punjab	...	...	...	...	82
Madras	...	...	...	...	123
Bombay	...	...	...	...	155

These figures are sufficient to show the totally arbitrary character of the present contracts. The fact is that these inequalities are a legacy of the pre-decentralization period, when the expenditure of the different Provinces was determined—as men like Sir Charles Trevelyan, Sir John Strachey, General Chesney, and others have put it—not by the resources or requirements of those Provinces, but by the attention that their Governments succeeded in securing from the Central Government, *i.e.*, by the clamour that they made. And when the first step was taken in 1870 in the matter of decentralization, the level of expenditure that had been reached in the different Provinces was taken as the basis on which the contracts were made, and the inequalities that then existed were, so to say, stereotyped. I think it is high time that an effort was made gradually to rectify these inequalities.

3. The third defect of the existing scheme is that, while it operates as a check on the growth of Provincial expenditure, it imposes no similar restraint upon the spending propensities of the Government of India.

The only way by which these defects could be remedied was clearly pointed out by four members of Lord Dufferin's Finance Committee. They were the President, Sir Charles Elliott, late Lieutenant-Governor of Bengal, Sir William Hunter, Mr. Justice Cunningham, and Mr. Justice Ranade. In a note which they submitted to the Government of India on the subject, they made the following four proposals, and urged that their adoption would be attended by very beneficial results:—

(1) That there be no divided Departments, but that those Departments of receipts and expenditure which are now wholly, or almost wholly, Imperial, or which it may be found convenient to make Imperial, should be set on one side for Imperial purposes, and that the receipts and expenditure of the Provincialized Departments should be entirely Provincial.

(2) That whatever the sum be by which the Imperial expenditure exceeds the income from those sources of revenue which are not Provincialized, that sum should be declared the first charge on the Provincial Revenues.

(3) That the Provincial Surplus which arises from the excess of receipts over expenditure should be the fund from which, in the first place, all Imperial necessities should be met before any increase can take place in Provincial Expenditure.

(4) And that as regards the future growth of revenue it should, as far as possible, be divided equally between Provincial and Imperial, subject to the condition that if the Imperial exigencies ever required a larger share, the Imperial share should be increased.

Taking the accounts of 1884-5, Sir Charles Elliott and the other members thus illustrated the working of their scheme. They proposed that Opium, Salt, Customs, Tributes, Post Office, Telegraph, Mint, Interest on Debt, Superannuation Receipts and Charges, the East Indian, Eastern Bengal, Guaranteed and Southern Mahratta Railways, Military Works, Army, Exchange and Home Charges should be wholly Imperial, and that the Government of India should also bear the charges and receive the revenues of the Imperial Districts, *i.e.*, the parts of India which are not included in the Provinces. On the other hand, they proposed that Land Revenue, Stamps, Excise, Assessed Taxes, Forests, Registration, and the Civil Departments should be wholly Provincial, such heads as Stationery, Printing, Miscellaneous, and Railways, Canals, and other Public Works, as were already Provincial continuing to remain so. The accounts of 1884-5, excluding Provincial Rates, were as follows:—

	Imperial.	Provincial.	Total.
	<i>(In thousands of Rupees).</i>		
Revenue ...	50,3569	17,5537	67,9106
Expenditure...	50,5066	17,4854	67,9920

These accounts, on the basis of readjustment suggested above, would have stood thus:—

	Revenue.	Expenditure.	Surplus or Deficit.
	<i>(In thousands of Rupees.)</i>		
Imperial ...	32,6799	50,5365	—17,8566
Provincial ...	35,4307	17,6559	17,7748

This means that on the basis of division proposed, the Provinces would have to pay about 17¾ crores, i.e., about fifty per cent. of the revenues made over to them to the Imperial Government to enable the revenues of the latter to come up to its expenditure.

This scheme, if adopted, would have the following advantages over the existing arrangements :—

- (a) It would remove all irritation at present felt by the Local Governments, and will secure to them, under ordinary circumstances, half the normal growth of revenues in their Provinces, enabling them thereby to make steady efforts towards the progressive improvement of the Internal Administration of the country.
- (b) It is, of course, not possible to secure *at once* a complete equality in the burdens which the Imperial Expenditure imposes upon the different Provinces.

Provinces that contribute less than half their revenue to the Imperial Exchequer cannot be suddenly called upon to reduce their own expenditure, and pay their full share with a view to reducing the share of those that at present contribute more than half. Existing facts after all must be respected, and the present level of expenditure in the different Provinces must be left untouched. But the effect of contributing to the Imperial Exchequer an equal portion of all future increase in revenue, viz., 50 per cent., will be that, year by year, the relation which the contribution of a Province bears to its revenue, will tend more and more towards equalization. Thus the Provinces which now pay, say 60 per cent., of their revenue will, after paying only 50 per cent. of their increase for some years, be found to have dropped down to a ratio of 57 or 58 per cent. And similarly in the Provinces which pay less than 50 per cent. at present, the ratio will constantly work itself up to 50 per cent.

4. The proposed scheme, while making ample provision for the necessities of the Central Government, imposes, at the same time, something like a check on its spending propensities. It secures to that Government the entire normal growth of the Imperialised items of revenue, and also half that of the Provincialised items and leaves to it besides the power to demand more than half in times of need. But it is expected that in ordinary years more than half the normal growth of Provincial revenues will not be devoted to non-Provincial revenue purposes.

The adoption of the scheme will place the financial system of India once for all on a sound basis, and will bring it more in a line with the federal systems of finance in other countries, such as Germany, Switzerland, and even Canada, and the United States. In these countries, so far as I have been able to gather,

the Central and Constituent Governments have their separate resources, but the latter are called upon in Germany and Switzerland to make special contributions on extraordinary occasions.

I am confident that the Provincial Governments in India will welcome such a settlement of the question. Before concluding this portion of my evidence I may be permitted to remark that it would have been a matter of general advantage if representatives of Local Governments had come here to give evidence on this subject before the Commission.

#### PROGRESS OF EXPENDITURE.

Our Expenditure shows a large and continuous growth since the transfer of the Government of India from the Company to the Crown, and recent changes in the frontier policy have accelerated its pace in an alarming manner. Excluding railway receipts, the average expenditure for the five years preceding the Mutiny was about 30 crores. It now stands at over 73 crores, nearly  $2\frac{1}{2}$  times what it was before the Mutiny.

Increase of Expenditure, taken by itself as a feature of national finance, is not necessarily open to any serious objection. Everything depends in this matter on the nature of the purposes for which the increase has been incurred and the results produced by such outlay of public money. In the United Kingdom, in France, in Italy—in fact, almost everywhere in Europe there have been large increases in national expenditure during the last thirty years, but the increase in Indian expenditure during this time differs from the increases elsewhere in a most fundamental respect. While increased expenditure in other countries, under proper popular control, has, so far as we are able to judge, helped to bring increased strength and security to the nations, and increased enlightenment and prosperity to the people, our continually growing expenditure has, in our opinion, under autocratic management, defective constitutional control, and the inherent defects of alien domination, only helped to bring about a constantly increasing exploitation of our resources, has retarded our material progress, weakened our natural defences, and burdened us with undefined and indefinite financial liabilities. Compelled to meet the demands of a forward Imperial Frontier policy and the exigencies of consequent Imperial defence, and constantly borrowing for commercial enterprises, often undertaken in consequence of the pressure of English commercial classes, our Indian Government has little money to spare, with all its increase of taxation, for purposes of national education. Nor has it been able, amidst constant embarrassments of the Military Budget, to forego some prospective land revenue by granting the boon of a permanent settlement to Provinces ripe and more than ripe for the concession under the conditions laid



down in Sir Charles Wood's and Sir Stafford Northcote's Despatches (1862 and 1867), nor again has it found itself, during all these years, in a position to carry out pressing administrative reforms, like the separation of judicial and Executive functions.

It is this feature that marks the difference between the growing expenditure of British India and that of other countries, and constitutes our national grievance in respect of administration of our national expenditure. Whereas the capacity of the country to bear increased burdens is growing perceptibly less, our expenditure, under the existing conditions of administration, is raising higher and higher, necessitating a heavy incidence of taxation, exhausting all our fiscal reserves, and what is still more alarming, thrusting on our hands expanding responsibilities.

Under the Company's Government, things were on the whole managed with economy, and increase of taxation was, as far as possible, avoided—a characteristic feature of our Pre-Mutiny Finance. The conquest of the country completed, the Company's Government entered in 1852-53 upon a career of administrative improvements and internal progress, and did much in both directions *without increase of public burdens*. And during the next five years, the fiscal system was reformed, the Police was re-organized, the Judicial and other Establishments were revised with largely extended employment of natives in some of the higher branches, and great activity was shown in regard to Public Works. Over two crores a year were spent on canals and roads and buildings, and arrangements were made with Railway Companies for the construction of the main trunk lines of railway communication. And yet, the expenditure was under 30 crores. Then came the Mutiny. It was a serious national disaster. It added 47 crores to our National Debt; and our permanent annual expenditure increased at one bound by about 9 crores, the Civil Charges going up from 11·7 crores to 15·8 crores, the Army from 12·7 crores to 14·9 crores, and Interest from 2·9 to 5·5. The cloud of distrust, suspicion, and prejudice then raised still hangs over the country, and casts its blighting shadow over, more or less, the whole of our Indian Finance. In respect of Military Expenditure—so, too, in regard to the extended employment of natives in the higher branches of the Civil and Military Services of the Crown—the effects of the Mutiny are still broadly visible.

I beg to be allowed to put in two statements here, which I think will be helpful in comprehending at a glance the progressive nature of our expenditure. The first statement gives figures of total expenditure *minus* railway receipts, figures of the exchange charges, and, lastly, figures of total expenditure *minus* railway receipts, and exchange for the last forty years. The second statement divides the period from 1862 to 1895, into

three periods—the first from 1862-70, that of Centralized Finance; the second from 1871-81, that of partially Decentralized Finance, and the third from 1882-95, that of Decentralized Finance—and gives the salient facts connected with our expenditure during all these years. Both these statements have been prepared from the annual Financial Statements.

## STATEMENT I.

Year.	Expenditure in Crores—Rail- way Receipts.	Exchange in Crores.	Expenditure— Railway Receipts and Exchange.
1852-53	28·04	...	28·040
1853-54	30·18	...	30·180
1854-55	30·89	...	30·890
1855-56	31·97	...	31·970
1856-57	31·97	...	31·970
1857-58	40·04	...	40·040
1858-59	50·19	...	50·190
1859-60	50·37	...	50·370
1860-61	46·74	...	46·740
1861-62	43·53	...	43·530
1862-63	42·97	...	42·970
1863-64	44·20	...	44·200
1864-65	45·58	...	45·580
1865-66	45·74	...	45·740
1866-67	44·10	...	44·100
11 months.			
1867-68	49·06	...	49·060
1868-69	51·36	...	51·300
1869-70	50·12	...	50·120
1870-71	49·39	...	49·390
1871-72	49·16	433	48·727
1872-73	50·82	694	50·126
1873-74	54·66	882	53·778
1874-75	53·21	785	52·425
1875-76	52·64	1355	51·285
1876-77	55·00	2059	52·941
1877-78	57·22	1554	55·666
1878-79	55·38	3225	52155
1879-80	60·27	2926	57344
1880-81	66·52	2716	63804
1881-82	58·81	3556	55254
1882-83	58·40	3234	55166
1883-84	57·56	3434	54126
1884-85	59·20	3426	55774

Year.	Expenditure in Crores—Railway Receipts.	Exchange in Crores.	Expenditure—Railway Receipts and Exchange.
1885-86	63·58	3·230	60·350
1886-87	62·68	5·419	57·261
1887-88	66·25	6·466	59·784
1888-89	66·13	6·971	59·159
1889-90	65·87	6·663	59·207
1890-91	64·82	5·087	59·733
1891-92	68·74	6·937	61·803
1892-93	71·93	9·827	62·103
1893-94	71·82	10·285	61·535
1894-95	73·25	13·068	60·182

### PERIODICAL AVERAGES.

Year.	Without Exchange.	With Exchange.
1852-53—1856-57	30·8 crores.	30·8 crores.
1857-58—1861-62	46·1 "	46·1 "
1862-63—1870-71	46·9 "	46·9 "
1871-72—1881-82	53·9 "	55·8 "
1882-83—1894-95	58·8 "	65·4 "

## POST-MUTINY PERIOD OF INDIAN FINANCE—DIVISION I.

1862-63—1870-71.

## (CENTRALISED FINANCE.)

- Elements of uncertainty during the period.
- |  |   |                   |
|--|---|-------------------|
| 1. War Office demands (British Force amalgamated). | 1. Balances.                            | Fiscal Reserves.  |
| 2. Necessity for famine protection.                | 2. Taxation.                            |                   |
| 3. Demands for Public Works.                       | 3. Curtailment of optional expenditure. | Public Works, &c. |
| 4. Opium Revenue.                                  | Pressure of the                         |                   |
| 5. Railway Finance.                                | commercial classes.                     |                   |

## NOTEWORTHY FEATURES

## FAMINES.

1. Large Administrative improvements were required after the Mutiny—civil.
2. Provincial Administrations made increasing demands for varied local improvements, not being themselves responsible for funds.
3. Public opinion in England urged measures for material progress (deemed neglected by the East India Company).
4. The commercial interests of England demanded improvements of communication and other public works.

## REVENUE.

1862-63	...	45·1
1870-71	..	51·2

Taxation during the period.

Certificate, 1868-69.

Income-tax substituted, 1869-70.

Raised.

Salt tax raised in Madras and Bombay.

## EXPENDITURE.

1862-63—1870-71

Civil charges

Army charges

Interest charges

15·88	19·13	14·89	16·07
5·47	5·8		

Cost in lakhs.	1,53
----------------	------

1865-66 Bengal, Madras,

Bombay

1868-69 North-West Pro-

vinces, Central Pro-

vince, Punjab and

Bombay

FRONTIER EXPEDITIONS.

Sitanna, Bhotan, Lushai.

Railway net loss to State.

1862-63 1870-71

1·6 1·9

Total expenditure, including other heads	... 42·9	49·3
Increase	... 6·4	

OUTLAY ON PUBLIC WORKS  
DURING 1862-63—1870-71.

Ordinary works	... 52·66
Guaranteed Railways (from 48·8 in 1862-63 to 92·4)	43·5
State outlay on prod, Public Works	... 4·6
	<hr/> 100·7

NET DEFICIT during the period.

	Surplus.	Deficit.
	6·2	6·4=2
	1862-63	1870-71
Debt	... 96·8	104·0
Increase, 7·0		
	1862-63	1870-71
Balances	23·1	20·1

Decrease, 3 crores

HOME CHARGES.

Net expenditure.

1862-63	1870-71
£ 4·9 millions	£ 8·01 millions.

Fresh War Office charges  
during the period.

£ 451,000 (*vide* Govt. Desp., Nov.  
21, 1884).

Two Irrigation Companies formed  
and Port Canning—and  
other harbour improvement,  
reclamation companies, &c.  
(with Govt. support—direct  
or indirect).

Opium Revenue.

1862-63.	1870-71.	1881-82.
8·06	8·04	6·36
crores.	crores.	crores.

5. The recurrence of famines emphasized the obligation of the State as to protective works.

- (a) Private enterprise encouraged in all ways.
- (b) State agency since 1867 employed to co-operate.  
(100 crores in all spent on public works.)

6. War Office measures in respect of the British Army imposed a net charge of £450,000 due to amalgamation and unequal military partnership.

Total expenditure rose from 42·9—49·3.

Expanding demands for expenditure.

- (1) General administrative improvement.
- (2) Public Works—productive, ordinary, productive.
- (3) Provincial needs.
- (4) War Office demands.

2 and 4 beyond the control of Government of India.

Necessity for limitation of expanding demands.

In respect of 3 Provincial Decentralization carried out 1870-71.

# POST-MUTINY PERIOD OF INDIAN FAMINE—DIVISION II.

1871-72—1881-82.

(Partially Decentralized Finance.)

Elements of uncertainty during the period.

Fiscal Reserves.

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. War Office demands.</li> <li>2. Famine and Protective action.</li> <li>3. Public Works—commercial demands.</li> <li>4. Opium Revenue.</li> <li>5. Exchange.</li> <li>6. Railway Finance.</li> <li>7. Exigencies of Imperial policy in Central Asia.</li> </ol> | <ol style="list-style-type: none"> <li>1. Balances.</li> <li>2. Taxation.</li> <li>3. Curtailment of P. W. optional expenditure.</li> <li>4. Famine grant.</li> </ol> |
|--|---|

## NOTEWORTHY FEATURES.

### REVENUE.

1871-72 ... 50·1 } Railway  
1881-82 ... 62·91 } receipts.

#### Taxation—

Income-tax reduced, 1871-72.  
Income-tax revised, 1872-73.  
Provincial rates levied, 1873-74  
Tariff revised and reduced,  
1875-76,  
Excise duty raised.  
Opium duty raised, 1877-78.  
Licence tax, 1878-79.

### DEBT.

1871-72    1881-82  
106·9      156·8  
Increase 49·8

### BALANCES.

24·8    17·14  
Decrease 7·6

### OPIUM.

9·26    9·36

### FAMINES.

1. It was an abnormal period of war and famine.
2. English public opinion continuing to urge measures of material progress; yet Public Works Expenditure had to be reduced, which fell from 100 crores to 70 crores during the period.
3. The famines and the vast expenditure required led to the formation of a Famine Insurance Fund; yet the Fund diverted war.

New local rates, 1878-9.  
Salt duty raised in Madras  
and Bombay, 1878-79.  
Cotton duty remitted, 1871-79.  
Licence tax amended, 1878-79.

#### EXPENDITURE.

1871-72—1881-82

Civil charges ...	18'6	19'2
Army ...	15'68	18'18
Exchange ...	43	3'55

Total expenditure  
including other  
heads ... 49'1 58'81  
Increase 9'7, as against 6'4  
of the previous period.

#### OUTLAY ON PUBLIC WORKS DURING THE PERIOD.

Buildings and roads. 42'7 42'7  
1871-72 1881-82.

Total outlay on  
guaranteed Rail-  
ways ... 95'5 68'7  
and State outlay  
on public works. 6'2 59'8  

---

100'7 128'5

1873-74 Bengal North- Cost in  
West Provinces, lakhs.  
Oudh ... 6'75

1876-71 Madras, Bombay,  
North-West Pro-  
vinces and  
Punjab ... 11'19

17'94

#### AFGHAN WAR.

Cost 22'2 crores—5 crores contri-  
buted by England.

Net ... 17'2 crores.

#### HOME CHARGES.

##### Net expenditure—

1871-72 ... £ 7'7 millions net.  
1881-82 ... £ 11'1 millions net.  
FRESH WAR OFFICE CHARGES.  
for improvement of British Force  
for the period, £ 485,000.

Famine Insurance Fund formed,  
and fresh taxation; fund  
diverted.

#### Provincial rates.

1875-76 ...	..	1,947
1877-78 ...	...	2,225
1879-80 ...	...	2,882
1881-82 ...	...	2,893

4. Fresh War Office charges amount-  
ing to 4<sup>d</sup> lakhs, due to amalga-  
mation, came upon the Indian  
Budget for increase of military  
efficiency.

5. What disturbed Indian Finance  
most was a change of policy on  
N.-W. Frontier. Imperial policy  
in Central Asia entered upon a  
new phase with Russia's conquest  
of Khiva. Afghanistan given up  
as a neutral zone, and the Amir  
promised material and moral aid  
against unprovoked foreign ag-  
gression, a change of policy  
with converted Afganistan vir-  
tually into a British Frontier  
Protectorate. The line of the  
Indus given up as the Border line  
of British India. Indian Finance  
loaded with cost of schemes of  
Imperial territorial expansion in  
Central Asia, and a preponde-  
rance came to be given to military  
considerations in our financial  
arrangements. Here Indian in-  
terest was subordinated to the  
exigencies of Imperial policy.

6. Exchange difficulty increased.

(Excluding capital in  
railway annuities)  
total net outlay ... 27·7 27·7

Net increase \*948 crores.  
Provincial contracts revised.  
Gain to Imp. Revenue.  
First contracts, 1871-72 . . '331  
Contracts revised (1877-78) '400  
Railway net loss.  
1871-72 1881-82  
1·7 2

Total expenditure increased by  
9·7 crores.  
Expanding demands.  
1. General Administrative  
improvement.  
2. Public Works—pressure of  
English commercial interest.  
3. War Office demands—amalgama-  
tion.  
4. Treasury Office demands—cen-  
tral Asian Imperial policy.  
5. Exchange.  
2, 3, 4, and 5, all beyond the  
control of Government of India.  
1. Further decentralization.

## POST MUTINY PERIOD OF INDIAN FAMINE.—DIVISION III.

1881-2—1894-5.

(Finance Decentralized as at present.)

Elements of uncertainty during the period.

1. War Office demands,
2. Military Expenditure.
3. Famine.
4. Public Works—commercial pressure as to  
Railways.
5. Opium Revenue.
6. Exchange.
7. Railway Finance
8. Imperial Policy in Asia—conquests and Fron-  
tier protect orates.

Fiscal Reserves.

1. Balances.
2. Taxation.
3. Curtailment of Public Works optional Ex-  
penditure.
4. Famine grant.
5. Contributions from Provincial Governments.
6. Periodical revision of Provincial contracts.
7. Transfer of Public Works from Revenue to  
Capital,



## REVENUE

minus railway receipts.

1881-82 62·9 crores.

1894-95 73·0 „

## TAXATION.

1882-83 Import duties abolished, salt duty reduced and so too opium duty.

1886-87 Income-tax substituted for licence-tax.

1888-89 Petroleum duty imposed, salt duty raised.

1894-95 Customs duties.

## EXPENDITURE.

	1881-82	1894-95
Civil charges...	19 26	25·55
Army ...	18·18	24·31
Exchange ..	3·5	13·0

Total expenditure including other items ... 58·81 73·25  
Increase 14·45 as against 5·7, 6·4 of preceding periods.

## OUTLAY ON PUBLIC WORKS.

Ordinary Public Works 75·36

## NOTEWORTHY FEATURES.

### FAMINES.

Scarcities in Madras & Bombay.

### WAR AND CONQUEST.

Upper Burma.

British Baluchistan.

Gilgit Agency.

Somali Coast.

Afghan Protectorate, developed and confirmed, (Durand Treaty).

Expeditions beyond the Frontier.

### INCREASE OF INDIAN ARMIES.

(1886-88.)

Imperial Reserve.

### HOME CHARGES NET EXPENDITURE.

1881-82 £ 11·1 millions.

1894-95 £ 15·6 „

### PROVINCIAL RATES.

(Due to decentralization.)

1881-82 2·895

1885-86 2·960

1889-90 3·410

1894-95 3·541

Increase '646

Provincial contracts revised.

1. The period was a disturbed period of war, panic, and military precautionary measures and territorial annexations—costing us about 70 crores during it.
2. English public opinion pressing for material progress, the commercial interests demanding railway extensions, the local services clamouring for increased pay and promotion and exchange compensation. The strain on Indian Finance was severe.
3. Developments of Imperial policy in Asia involving us in large transfrontier and other liabilities; Upper Burmah and other frontier provinces thrust on our hands for administrative development, which means vast future outlay.

India now in touch with the great powers of Asia is necessarily pledged to vast military expenditure.

### INDIAN DEFENCE WEAKENED.

Indian Finance at the mercy of military considerations.

Indian armies increased.

4. Exchange difficulty enormously increased concurrently with a fall in opium.

	1881-82	1894-95
Guaranteed		
Railways ...	68·7	71·1
State outlay on		
Public Works...	59·82	115·5

	128·5	186·6
Total net outlay		58·0
(excluding capital in Railway		
Annuities = 30		
millions)		
Frontier strategic		
railways...	14·4	
crores		14·4

147·7

DEBT,	
1881-82	1894-95
156·8	218·3
Increase	61·5

OPIUM REVENUE.	
1881-82	1894-95
9·36	7·32

BALANCES.	
1881-82	1894-95
17·14	25·2
Increase	8·06

Gain to Imperial Treasury.	
2nd revision (1882-83) ...	nil
3rd „ (1886-87) ...	640
4th „ (1892-93) ..	466

PROVINCIAL CONTRIBUTIONS.	
1886-87 ..	400
1889-90 ...	740
1890-91 ...	490
1894-95 ...	405

Provincial contribution restored	
in 1882-83 ...	670

RAILWAY NET LOSS.	
1881-82 ...	2
1894-95 ..	2·348

Grant of exchange compensation allowance.

Total expenditure increased by 14·44 crores as against 9·7 and 6·4 of the previous periods.

Expanding demands:

- (1) Public Works.
- (2) War Office demands.
- (3) Demand of Central Asian policy.
- (4) Exchange.

All beyond the control of the Government of India.

Taxation having reached its utmost limits, the enormous growth of expenditure during the period leaves us no fiscal reserve; yet elements of uncertainty and instability of Indian Finance have largely grown and the Government of India is compelled in the interests of financial solvency to be able to meet fluctuating and expanding uncontrollable demands to keep tight its hold on every fiscal resource, limiting the means of the provincial administrations on the one side and reserving its freedom of action in regard to Famine Grants, Productive Public Works expenditure and Provincial Contributions.

## IMPERIAL AND PROVINCIAL NET EXPENDITURE.

It is interesting to note how the growth of net expenditure has been divided between Imperial and Provincial since 1882, when Provincial finance was placed on its present basis. Putting together Tables 1 and 21 of Sir H. Waterfield, we have the following result :—

Year.	Total Net.	Provincial Net.	Imperial Net.
	In crores of Rs.	In crores of Rs.	In crores of Rs.
1882-83	41.79	10.98	30.81
1883-84	41.66	10.83	30.83
1884-85	41.90	11.62	30.28
1885-86	45.43	12.27	33.16
1886-87	44.55	12.12	...
1887-88	47.37	12.35	35.02
1888-89	46.44	12.52	33.92
1889-90	47.34	13.10	34.24
1890-91	45.66	12.64	33.02
1891-92	49.50	13.60	35.90
1892-93	52.43	13.40	39.03
1893-94	51.87	13.33	38.54
1894-95	52.74	13.13	39.61
Increase in 1894-95 over 1882-83.	10.95	2.15	8.80

It will be seen that while the expenditure of the internal administration of the country has been allowed to increase in thirteen years by only a little over two crores of rupees, the expenditure administered by the Government of India has increased during the time by nearly nine crores. It may also be added that during the three years of Lord Ripon's Viceroyalty which belong to this period, the net Imperial expenditure was not only not increasing, but actually showed a tendency to decrease.

## MILITARY EXPENDITURE.

No student or critic of Indian Finance will fail to be struck by the position which Military charges occupy in the administration of Indian expenditure. It is, indeed, difficult to enter into a thorough examination of this branch of our expenditure without raising a discussion about certain matters of policy which have been held to be outside the terms of this Commission's

reference. My friends, Mr. Morgan-Brown and Mr. Wacha, have, however, already placed the views of the Indian people on some aspects of this subject before the Commission, and I have no wish to go over the same ground again. I will, therefore, content myself with a statement of certain additional facts connected with our military expenditure, leaving the Commission to draw its own conclusions from them.

Its strength (1894-95).

Standing Army	...	...	...	219,778
British troops	...	...	73,119	}
Miscellaneous British Officers	...	...	921	
Native Troops including British Officers	...	...	145,738	
Native Army Reserve	...	...	...	13,862
Volunteers	...	...	...	29,089

Total of armed strength on mobilisation ... 262,729  
—a strength even smaller than Japan commands, and about equal to that of Greece.

Its cost (1894-95).

				Rs. crores.
Ordinary expenditure	...	...	...	20.0
Military works (ordinary)	...	...	...	1.1
Total (ordinary)				21.1
Special expenditure during the year	...	...	...	.6
Exchange	...	...	...	3.6
				25.3

Ratio of ordinary military expenditure to total expenditure for the year =  $\frac{25.3}{73.2}$  = nearly 35 per cent., thus comparing with what we have in other countries.

				Millions £.
United Kingdom—Army Expenditure	...	...	...	17.8
United Kingdom	Total	...	...	91.3
France—Army Expenditure	...	...	...	25.9
				19
"	Total	...	...	138.0
Italy—Army	...	...	...	9.4
				13
"	Total	...	...	72.4
Japan—Army	...	...	...	2.6
				16
"	Total	...	...	16.2
Greece—Army	...	...	...	.58
				13
"	Total	...	...	4.2

## 28 EVIDENCE BEFORE COMMISSIONS.

British India—Army Expenditure	...	25·4		
			= 35	" "
" " Total	"	73·2		
		21		
		or omitting exchange — or 30 per cent.		
		73		
Russia—Army Expenditure	...	23·9		
			= 21	per cent
" Total Expenditure	...	115·0		nearly.
The growth of our military expenditure, excluding all exceptional items—exchange, and even military works—has been as below :—				

Years.	Average Strength.			Average Expenditure in crores.
	British.	Native.	Total.	
1837-38—1856-57 (20 years)	43,826	235,915	226,741	10·85
1861-62—1873-74 (13 years)	62,458	123,881	186,340	15·68
1874-75—1880-81 (7 years)	61,884	122,556	184,441	16·17
1881-82—1884-85 (4 years)	57,975	119,939	177,714	16·55
1885-86—1894-95 (10 years)	70,704	140,682	211,387	18·25
1894-95	74,040	145,738	219,778	20·1

Taking, according to Mr. Kellner's estimate, seven native soldiers as financially equal to three European soldiers, we may summarise the periodical expenditures on our Army thus :—

Period.	Total Strength European Standard.	Total cost in crores.	Charges per combatant in rupees.
1837-8—1856-7	139,383	10·85	778
1861-2—1873-4	115,550	15·68	1,357
1874-5—1880-1	114,408	16·17	1,413
1881-2—1884-5	109,291	16·55	1,515
1885-6—1894-5	130,996	18·25	1,393
1894-5	140,400	20·1	1,430

During the twenty years preceding the Mutiny, a most eventful period of war and conquest, we had under the Company's rule an armed force about as strong as now, but maintained at nearly half cost, the charge per combatant being Rs. 775. The Mutiny came, and the transfer of India to the Crown followed; Army Amalgamation was carried out, the staff corps formed, and other changes in Army organisation effected, and our military expenditure rose at a bound to 14.89 crores from 10.85, the average of the pre-mutiny period. It has gone on ever since steadily increasing till we come to the present year, when it stands at full 20 crores exclusive of exchange, the strength being about the same as before the mutiny.

(A) Looking to the composition of the Army we have 74,040 British troops to 145,738 native troops, or almost exactly in the proportion of 1 to 2. During the twenty years preceding the mutiny the proportion of British to native troops was 1 to 5, and sometimes much lower. The outbreak of 1857 followed; a Royal Commission inquired into the matter in 1859, and in its report submitted the following recommendation to Her Majesty:—"As regards the third question, the proportion which European should bear to Native Corps in Cavalry, Infantry and Artillery respectively, Your Majesty's Commissioners are of opinion that the amount of native force should not, *under present circumstances*, bear a greater proportion to the European, in Cavalry and Infantry, than to 2 to 1 for Bengal, and 3 to 1 for Madras and Bombay respectively." The proportions thus laid down were recommended in view of the circumstances of the disturbed period, and were not absolute, precluding all future modification as things should change. The present organisation, however, practically rests on that recommendation, the proportion being as a whole as 2 to 1—the differential proportions recommended for Bombay and Madras being ignored.

Taking the recommendations of the Royal Commission, and looking to the local distribution of the armies, we have:—

Native troops.	British troops.	Excess of British troops. over the accepted standard.	
Bengal ( $\frac{1}{2}$ ) 84,614	46,379	...	4,072
Madras ( $\frac{1}{3}$ ) 32,306	14,195 }	...	7,266
Bombay ( $\frac{1}{3}$ ) 28,878	13,466 }	...	

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11,338

This is the amount of excess British Force over the accepted standard we have in the country, and I submit that there is nothing in the present condition of things to justify such a large departure from the recommendations of the Commission; things admittedly have changed for the better, and with our increasing appreciation of British rule, and growing attachment to Her Majesty's throne, we should have

expected the proportions to be modified the other way. As it is, we have on our hands a force of more than 11,000 British troops and taking the cost per European combatant at Rs. 1,413 a year, we see this excess force burdens our military Budget with a needless  $1\frac{1}{2}$  crores (or more exactly Rs. 1,57,30,000).  $1\frac{1}{2}$  crores a year is rather too heavy a charge for a poor country to bear unnecessarily.

(B) The strength of our existing Army is, further, in excess by the recent increases of 30,000 troops, of the military needs of the country, as laid down by the Army Commission of 1879, who even contemplated among other things, in framing their estimate of our requirements, "the contingency of operations beyond the Frontier, not merely against Russia with Afghanistan as our ally, but against Russia assisted by Afghanistan," and, as Mr. Ilbert and Sir A. Colvin in their dissent point out, no circumstances have arisen which necessitated these augmentations.

(C) But again the existing organisation of our Army is so faulty that it imposes a needlessly grievous burden on the Indian Exchequer. Our army is always practically on a war footing; we have no peace establishment proper; and the strength we could mobilize in an emergency is—including volunteers and reserves—not more than 252,719 men all told. And it is for such meagre armed strength that we have to spend under the present vicious system 25 crores and more a year. While most countries in Europe have adopted short service and the system of reserves—a system which gives them a maximum of combatant strength at a minimum of cost, India alone has to keep up her armies on a war footing even in time of peace, and has to pay a heavy penalty—getting no commensurate return for the money she spends. In these days the armed strength of a nation is measured, as stated by Lord Wolseley, not by the number of men under arms in its standing Army, but by the total number of trained soldiers it could put together for active service—when needed—service with the colours being but a course of training for the recruits, much more than active preparedness for war; and in an emergency the reserves being relied upon as the first line of national defence. While the United Kingdom spends about eighteen millions on her army, and has a total armed strength of 588,785 men, France about twenty-six millions, and has an active army of 572,102, with reserves numbering 1,778,000 or a total of 2,350,000, Germany spends twenty-seven millions, and maintains an active army of 562,014, and can mobilize in time of war, with her splendid reserves, a total force of 3,000,000, and Japan, an oriental country which has so successfully copied the European system, spends two and a-half millions on her armies, keeping up a standing force of 37,719 and is able to mobilize a

force of 269,748, British India, though she spends even more than the United Kingdom itself on her armies (25 crores,) has but a standing force of 219,778, and with the reserves and volunteers of 252,729, showing a strength even smaller than that of Japan, and scarcely 1/10 of Germany.

England adopted Short Service in 1871-72, but did not extend the benefit to the Indian Army. How wasteful our existing system is, may be more clearly seen, when we find that we have had to add three crores to our military Budget to increase our armed force by 30,000 troops.

(D) Taking the two component parts of the Indian Army:—

(a) BRITISH TROOPS.

(1) Here we pay for Short Service, but the advantage of the system goes all to England. The peculiar merit of the system is that it gives a large reserve. Our English reserve is in England, and is not always available to us. Hence the British troops in India are all placed on a war footing.

In respect of the recent increase, the argument strongly urged was that we could not always depend on England for reinforcements—possibly least when we should need them most. Though the Indian revenues contribute so largely to the maintenance of the Army reserve in England, we could not always count upon getting the British troops augmented in India when we should have to take the field on a large scale.

(2) We have yet the peculiar disadvantage of Short Service—a paucity of seasoned soldiers in the standing force. Lord Wolseley has told us that men of under two or two and a-half years' service are seldom sent on active service, and whenever mobilization takes place for field service in European countries, it is the reserves that are largely drawn upon. As we have no reserve in India, we pay for a force which is not all available for field duty.

(3) We have, further, to pay for a higher standard of efficiency than is needed. In any country the efficiency of its army is always proportioned to its requirements, and is dependent on military conditions of offence and defence which exist. In India we have not the same military conditions with which England has to deal in Europe; we have not here in Asia gigantic military camps such as there are in Europe, and yet, under the amalgamation carried out after the Mutiny, we have to pay our share in full, calculated too on an arithmetical basis, for the maintenance of a standard of military efficiency which English—not Indian—conditions render necessary.



*(b) THE NATIVE ARMY.*

Our Native Army, though theoretically a long service army, is practically in the main a short service one. Under the regulations a man can claim his discharge after three years' service, and it is calculated that as many as 80,000 trained native soldiers return to their homes in ten years' time. The Army Commission of 1879 proposed the formation of reserves in order to retain a portion of these 80,000 men bound to the obligations of service, and also in the hope that the reserves so formed in time of peace might "enable the Government to reduce the peace strength of the Native Army," and expressed their view that such a restricted reserve system could cause no political danger to the country. The proposed reserves were calculated to absorb 58,200 men out of the 80,000 retiring from the Army every ten years.

The formation of such reserves to the Native Army was decided on in 1885-86, and Lord Dufferin's Government proposed to begin with two kinds of reserves—regimental and territorial; of which the latter system was evidently the more suitable of the two, and could have succeeded better. But the Secretary of State vetoed the proposal as far as it related to the formation of territorial reserves, apprehensive of the political and military dangers of such step, and sanctioned only regimental reserves. Accordingly we have now the feeble and straggling reserve that there is, numbering about 14,000.

Of course, as far as it goes, it is a step in the right direction, however halting, and a strong effort ought to be made to organise on a sound basis a large effective reserve to the Native Army, so as to permit of reduction in its strength which, while increasing the total armed strength of the country, would bring material relief to the finances of the country. The wasteful costliness of the existing system is obvious.

(E) We next come to the officering of the Native Army. Before the Mutiny there were two classes of native regiments, "regular and irregular." In the regular regiments, the nominal staff of British officers was 25 strong, of whom about 12 were actually present, the rest employed in civil and other departments. In the irregular regiments, there were only 3 British officers, the rest of the staff being entirely native. When the armies were reconstructed after the Mutiny in 1861, the irregular system was adopted throughout the Native Army—first in Bengal and later in Madras and Bombay—with the change that the number of British officers per regiment was increased from 3 to 7. In 1874-75 the strength of English officers was increased by the addition of 2 probationers to each corps. In 1882-83 one more officer was added to the cadre; so that now we have 8 British officers in each regiment, ousting the Native

officers virtually from the entire field of higher regimental command. Before the Mutiny, and in the irregular regiments, the British officers commanded wings and squadrons, leaving the command of the troops and companies to Native officers. Since the transfer and the reconstruction of the armies, the field of employment for Native officers has steadily contracted, and they have not now even the command of troops and companies, and hold a lower status in the Army. In their place a costly European agency has been put in, thereby imposing a great burden on the finances.

Even in the lower positions, the number of Native officers has sensibly fallen off during the past twenty years. In 1876-77 the number of these officers was 2,812, in 1895-96 it is 2,759, a decrease of 53 officers, though the strength of the Army has risen during the period from 120,672 to 141,257 (*i.e.*, 20,000). On the other hand, the number of British officers shows an increase of 149 officers (from 1,431 to 1,580).

(F) Lastly, we come to a feature of the existing Army organisation—the most wasteful of all. The Indian Staff Corps System—(a corps of officers intended for the Native Army as well as for civil employ in the political, police, survey, and other departments, and in the Frontier and non-regulation provinces).

When the amalgamation was carried out in 1861, there was a complete change in the system of officering the Native Army. The old supply from British regiments was stopped, and a staff corps was established in each presidency for the purpose. All officers of the Army, except those who declined, were transferred to the new corps. The promotion in the new corps was entirely by length of service, not by succession to a vacancy, so that lieutenants became captains, and captains majors, and so on, though the promotions were not needed for the work of the Army. The system is still in force, which is as under:—Ensigns on transfer to the corps to become *Lieutenants*; Lieutenants, after eleven years' service, to be *Captains*; after twenty years' service to be *Majors*; and after twenty-six years' service to be *Lieutenant-Colonels*.

Further privileges were in 1866 conceded to the staff corps. Previous to that year a certain number of Lieutenant-Colonels succeeded, on vacancies occurring, to Colonels' allowances. These carried with them an extra pension of £664 a year. In 1866 the Secretary of State allowed all officers then in the staff corps, and all who might join, to succeed to Colonel's allowances after twelve years' service in the grade of Lieutenant-Colonel without reference to any fixed establishment of Colonels with Colonel's allowance. Thus, every officer could in future rely on getting Colonel's allowance if he lived and clung to the service till he had served thirty-eight years. The general result of this extraordinary system of promotions and pensions has

been that the upper ranks of the service are filled with officers for whom there is no work.

The Colonel's allowances, previous to 1886, were granted only to a certain number on ground of special merit, at the rate of 1 to 30 officers. Since then, it has been indiscriminately allowed to all, and we have now 501 officers in receipt of Colonels' allowances on a staff corps of 2,826 strong *i.e.* more than 1 in 6 officers.

The grant of such allowances is now placed under new conditions, but the heavy burden on the exchequer, due to the measures of the past, taken in the interest of the officers, grows heavier every year. The old system of promotion is still in force, regulated not in accordance with the needs of the services, but in the interest of the officers, as if the Army was for the officers, and not the officers for the Army.

The whole question regarding the constitution, terms of service, rates of pay and pension, in regard to this costly and privileged corps requires to be carefully examined. As it is, the whole system rests on an unsound basis, the corps is over-numerous, and drawing privileged rates of pay and pension, inflicting a heavy burden on the national exchequer.

#### THE SERVICES.

In every department of Indian expenditure the question of agency is one of paramount importance. According to a Parliamentary return of May, 1892, we have in India, in the higher branches of the Civil and Military Departments, a total of 2,388 officers, drawing Rs. 10,000 a year and upwards, of whom only 60 are natives of India, and even these, with the exception of such as are judges, stop at a comparatively lower level. And they are thus divided :—

	Natives.	Eurasians.	Europeans.	Total Salaries of Natives.	Total Salaries of Eurasians.	Total Salaries of Europeans
				In thousands of rupees.		
Civil Department	55	10	1211	9,47	1,51	2,52,74
Military ..	1	1	854	12	11	1,32,68
Public Works Dept.	3	4	239	33	45	34,15
Incorporated Local Funds	1	...	9	10	...	1,13
Total ...	60	15	2313	10,02	2,07	4,20,70

In addition to these, the Railway Companies employ 105 officers, drawing Rs. 10,000 a year and more. They are all Europeans, and their total salaries come to 16 lakhs, 28,000 rupees.

If we come down to officers drawing between Rs. 5,000 and Rs. 10,000 a year, we find that we have 421 natives in the Civil Department, as against 1,207 Europeans and 96 Eurasians. In the Military Department there are 25 Natives, as against 1,699 Europeans and 22 Eurasians. In the P. W. Department there are 85 Natives, as against 549 Europeans and 39 Eurasians. And in the Incorporated Local Funds there are four Natives, as against 22 Europeans and three Eurasians. The total salaries of officers of this class are thus divided:—Civil Department—Natives, 29,05 thousand; Eurasians 6,50 thousand; and Europeans, 88,30 thousand. In the Military Department—Natives, 1,64 thousand; Eurasians, 1,39 thousand, and Europeans, 1,36,58 thousand. In the P. W. Department—Natives, 5,37 thousand; Eurasians, 2,78 thousand; and Europeans, 39,62 thousand; and in the Incorporated Local Funds—Natives, 25,000; Eurasians, 17,000; and Europeans, 1,46 thousand. In addition to these, there are under the Railway Companies 258 officers of this class, of whom only two are Natives, eight being Eurasians and 248 Europeans. Their salaries are thus divided:—Natives, 12 thousand; Eurasians, 50 thousand; and Europeans 17 lakhs 10 thousand.

In England £125,360 is paid as salaries by the Indian Government, and £54,522 by Railway Companies, all to Europeans.

The financial loss entailed by this practical monopoly by Europeans of the higher branches of the Services in India is not represented by salaries only. There are, besides, heavy pension and furlough charges, more than 3½ million sterling being paid to Europeans in England for the purpose in 1890.

The excessive costliness of the foreign agency is not, however, its only evil. There is a moral evil which, if anything, is even greater. A kind of dwarfing or stunting of the Indian race is going on under the present system. We must live all the days of our life in an atmosphere of inferiority, and the tallest of us must bend, in order that the exigencies of the existing system may be satisfied. The upward impulse, if I may use such an expression, which every school boy at Eton or Harrow may feel, that he may one day be a Gladstone, a Nelson, or a Wellington, and which may draw forth the best efforts of which he is capable, is denied to us. The full height to which our race is capable of rising can never be reached by us under the present system. The moral elevation which every self-governing people feel cannot be felt by us. Our administration

and military talents must gradually disappear, owing to sheer disuse, till at last our lot, as hewers of wood and drawers of water in our own country, is stereotyped.

The Indian Civil Service is nearly 1,100 strong. Under the rules of 1879, since abolished, we were entitled to one-sixth of the whole recruitment, and in course of time we should have had about 180 Natives in the Indian Civil Service. The Public Service Commission, appointed by Lord Dufferin, proposed the abolition of those rules, and recommended that 108 posts usually held by Covenanted Civil Servants should be set aside for Indians. The Government of India and the Secretary of State thought this recommendation too liberal, and ultimately decided to throw open only 93 such posts to which the Natives of India may be appointed, after certain existing claims were satisfied.

That these higher posts are guarded with extreme jealousy as practically a close preserve may be clearly seen from the following illustration. Mr. Jacob gives in Appendix 16 of Section II, the total number of District and Sessions Judges in India as 126. Out of these only five are Natives. Now the capacity of Natives for the efficient discharge of judicial duties has been over and over again recognised, and the Public Service Commission expressly recommended that one-third of all District and Sessions Judgeships should be given to Natives, which meant 42 out of 126. Instead of this 42, however, we have at the present day only five Native District and Sessions Judges.

So, again, in the Police. Out of 230 District Superintendents only three are natives. Only five Natives qualified to do the work of District and Sessions Judges, and only three for the work of Police Superintendents, in all India, after close on a century of British rule!

The same is the case with the Forest, Accounts, Opium, Mint, Scientific and other Departments.

In the Public Works Department, we have a total strength of 800 engineers, of whom only 96 are natives. The Indian Civil Engineering Colleges have been working for years, and yet not more than 96 of their trained graduates are to be found in the higher branches of the engineering service. In this connection I may mention that the Finance Committee of 1886 recommended that the connection of the Indian Government with the Cooper's Hill College be terminated as soon as possible, and that there be a larger recruitment of students of Indian Colleges. This recommendation, however, was not accepted by the Government of India.

I may also be permitted to make one or two general observations here on this Public Works Department. This Department has been for a long time over-manned, and Lord Dufferin's

Finance Committee thought it necessary to pass some severe criticism on the point. The sanctioned strength is 760. The actual strength in 1884-85 was 898, in 1886 it was 857, and now it is about 800, which is still 40 in excess of the sanctioned strength. Ever since the expansion of the Department in 1860—and notably from 1868 to 1875—we have had the superior staff arranged less with reference to the work to be done than to the condition of things as regards the position of officers. There has frequently been hasty and irregular recruitment during the periods of expansion, followed by blocks in promotion, requiring in their turn corrective efforts in the shape of special allowances or better pay and pensions, not founded on a consideration of the Executive needs of the Department. And more than once officers have been specially induced to retire from the service on very favourable conditions as to pensions to reduce the redundancy of officers.

The Finance Committee of 1886 recommended that Royal Engineers in the Indian Army should be put on the Civil Staff, remarking that "it is necessary to maintain a considerable establishment of Royal Engineers in India for military requirements. . . . Such of them as are not needed for purely military duty in time of peace can be best employed in the Public Works Department, and should, in our opinion, have the first claim for employment in that Department in preference to all others," and the Committee suggested that the Military Works Branch of the Department should be abolished as a separate branch for the Military Works and amalgamated with the General Department. The suggestion as to the abolition of the Military Works branch has not been carried out, and only 70 Royal Engineers from a total of 273 are at present on the Civil Staff, the greater number of the remaining 200 or so doing little or no work. It may be added that these suggestions of the Finance Committee had the full approval of the then Commander-in-Chief.

#### EXCHANGE COMPENSATION ALLOWANCE.

This allowance was granted to all non-domiciled European and Eurasian employes about the middle of 1893, and the figures for the last three years have been as follows:—

Year.		Amount in Rs.
1893-94	...	618,468
1894-95	...	1,239,275
1895-96	...	1,327,632

The allowance consists in converting half the salary of each officer into sterling at the rate of 1s. 6d.; subject to the maximum of £1,000 and then converting it back again into rupees at the current rate of exchange. Practically it has amounted to a general increase of salaries. Now, in the first place, it is

admitted that these employees of Government had no legal claim to the compensation. The pay of the European soldier in India is fixed in sterling, and the Government have now to make to him a much larger rupee payment than before. Nobody, however, has ever suggested that this rupee payment should be reduced. If anyone had made the suggestion, he would have been told that the soldier was entitled to it. The guaranteed companies are now getting 5 per cent. on their capital, though they do not earn so much, and though Government can to-day borrow at the rate of  $2\frac{1}{2}$  per cent. If anyone were to say that 5 per cent. is too high now to pay, and that the companies should be asked to be satisfied with less, he would be told a contract is a contract. My point in giving these illustrations is this—if existing contracts are not to be disturbed in favour of the Indian Exchequer why should they be disturbed against it?

Secondly, if the European employees of Government suffered from the fall in exchange, Government itself, as representing the tax-payers, suffered much more from the same cause. When such a general misfortune had overtaken all classes, to single out a particular class for special relief by imposing additional burdens on the remaining classes, and these will not be able to bear them, was entirely unjust.

Thirdly, though it is quite true that the fall in exchange had considerably lowered the gold value of the rupee salaries, the salaries themselves were so excessively high, considering especially the great change that has taken place in the facilities and means of communication between England and India, that even with the fall in exchange they were very high. I think it will be admitted that non-official Anglo-Indian testimony on this point is very valuable. The Bombay Chamber of Commerce is recognised to be one of the foremost and most important representatives of the English Mercantile Community in India. This Chamber, in writing to the Finance Committee on the subject of reduction of expenditure in 1886, thus wrote on the subject of salaries paid to Englishmen in India:—"The question of the salaries paid by Government to its servants is one on which the Chamber holds very decided views. The just apportionment of remuneration to the exact quality and quantity of work done may, from the standpoint of individual cases, call for very nice discrimination and intimate knowledge of the circumstances surrounding each appointment; but the Chamber, having many amongst its members in a position to form a true estimate of the standard of pay necessary at the present day of widespread education and keen and increasing competition among the members of the middle classes for responsible employment, to ensure the attainments required from civil servants, covenanted and uncovenanted, does not hesitate to say that the entire scale of remuneration, but more especially of

the senior classes, is pitched at too high a level. At the time existing rates were settled, not only did the requisite educational acquirements command a higher premium than they do now, but there were other considerations calling for momentary compensation. In former days an Indian career practically entailed expatriation; officials frequently lived very solitary lives, were exposed to exceptional temptations, and exercised great responsibility. In later years these conditions have been greatly mitigated, and in some cases thoroughly reversed. Communication with England is constant and rapid, life in India is healthier and attended with more comfort and less expense, whilst control is so centralised that responsibility is in a great measure taken out of the hands of the officials, except of the highest ranks. Under these circumstances, a revision of all salaries, and particularly those above, say, Rs. 1,000 per month, is manifestly justifiable and called for. In all recent discussions on this subject, the decline in sterling exchange has been urged as a strong argument for non-reduction; but in the view of this Chamber that is a matter which Government should not take into account. What it has to look to is purely the amount it must pay under all existing conditions and circumstances, in order to secure the necessary qualified labour in this country, leaving individuals themselves to provide for the wants of their families in Europe, and their own requirements for leave. The Chamber, in fact, would go even further than this, and advocate that, under the new rules for future contracts, all civil pensions and retiring allowances should be paid in the currency of the country. India is no longer a *terra incognita* to the educated classes of England, and even under the comparatively less tempting inducements indicated above, the Chamber feels convinced that there would be no lack of suitable men ready and anxious to recruit the ranks of the service. This naturally leads to the consideration of the economy practicable by a larger employment of natives. Much might, doubtless, be saved in this way, particularly in connection with the Judicial Departments, where the opening for efficient native agency seems widest; but the Chamber is not prepared to formulate, nor possibly your Committee to discuss, a settled scheme for the entrance of natives into the covenanted and uncovenanted services. All I am instructed to lay stress upon in that direction is that, when Government decide on the competence of natives to hold certain posts, due allowance should be made in fixing their pay for the proportionate cost of living and expenditure between them and Europeans of a like grade."

Fourthly, assuming that some relief was needed, it was most unfair to give the allowance to all. I mean men who went out to India after the rupee had fallen below 1s. 4d., i.e., who accepted the rupee salaries with their eyes open, as also those who had no remittances to make to England—these, at any rate, ought not to have been granted the allowance. The indiscriminate



nature of the grant constitutes, in my opinion, its worst and most reprehensible feature. No wonder, after this, that the Indians should feel that India exists for the European services, and not the services for India. While the miserable pittance spent by Government on the education of the people has stood absolutely stationary for the last five years on the ground that Government has no more money to spare for it, here is a sum larger than the whole educational expenditure of Government given away to its European officials by one stroke of the pen!

The salaries of some of the officers are fixed in rupees by statute. The grant to these men seems to be illegal as long as the statute is not amended. The question, I understand, has been raised, but it has not yet been disposed of by the Secretary of State. Meanwhile, the allowance continues to be paid to these officers pending such disposal.

#### EDUCATION.

The meagreness of the Government assistance to public education in India is one of the gravest blots on the administration of Indian expenditure. No words can be too strong in condemning this neglect of what was solemnly accepted by the Court of Directors in 1854 as a sacred duty. During the last four years the Government grant to education has been absolutely stationary. In 1891-92 it was Rs. 88,91,73; in 1894-95 it was Rs. 91,09,72 showing an increase of only two lakhs and 18 thousand rupees in four years. But even this increase was only an addition to the salaries of European officials in the Department in the shape of exchange compensation allowance, as may be seen from the fact that, while there was no charge for this allowance in 1891-92, in 1894-95 the compensation to educational officers was one lakh and 88 thousand rupees. Side by side with this might be noted another fact, *viz.*, that during these same four years the Government expenditure on public education in Great Britain and Ireland increased from five millions to nearly nine millions sterling, and the contrast is too powerful to need any comments. One cannot help thinking that it is all the difference between children and step-children. There are more than 537 thousand towns and villages in India, with a total population of about 230 millions, and yet there are less than a hundred thousand public primary schools for them. The population of school-going age in India is about 35 millions, out of whom only about four millions, including those attending private or unaided schools, are under instruction, which means that out of every 100 children of school-going age 88 are growing up in darkness and ignorance, and consequent moral helplessness. Comment on these figures is really superfluous.

I may add that in 1888 the Government of Lord Dufferin issued a resolution which amounted to a virtual change of policy in the matter of education. Only four years before that Lord

Ripon had issued a resolution, addressed to all Local Governments, urging them to increase their expenditure on education, and even offering assistance from the Imperial Exchequer, where absolutely necessary. In 1888, however, Lord Dufferin directed the Local Governments in express terms to gradually reduce the share contributed by Government to public education.

### RAILWAYS.

My friend, Mr. Wacha, has gone into this question in great detail, and I will only add one or two observations to what he has said. In the evidence already recorded by the Commission, satisfaction is expressed in one or two places that in India the working expenses of railways form a smaller percentage of the total railway receipts than in England, and the conclusion seems to be drawn that Indian railways are constructed and worked more cheaply than English railways. I may, however, state that this lower percentage of working expenses is not peculiar to our railways only, but is, in fact, a necessary condition of all industrial undertakings in India. Labour with us is very cheap, while capital is very dear, so a much larger margin is necessary for profits, and a much smaller one suffices for the working expenses than is the case in England. The mere fact, therefore, that the working expenses of Indian Railways form a smaller percentage of the total receipts than they do in England does not, in reality, prove anything.

Meanwhile it may fairly be asked, if Indian railways are on the whole a profitable undertaking, why do English investors, with all their enterprise, almost invariably insist on a Government guarantee of interest in one form or another? There was an excuse for the first Companies requiring such a guarantee. But after so many years' experience of Indian Railways, and after so many protestations, both from the existing Companies and from Government, that there is a great, a prosperous future for Indian Railways, it is astonishing to see that every new scheme proposes that all elements of risk and possible loss in it should be shifted on to the Indian tax-payer, securing an absolutely safe, clear percentage of profit for the English investor. So long as the Indian Government has to bear a net loss on Railway account, no matter from what cause, so long it is futile to represent the Indian Railway enterprise, whatever may be its other advantages, as a commercial success.

I have two suggestions to offer on this subject of Railways. The first is that the time has now come when the same restrictions that now exist on the outlay of public money on unproductive public works should be imposed in the case of these so-called productive works also; these restrictions being that in future all Government expenditure on these works, direct or indirect, should be out of surplus revenue only, and not out of

borrowed money. A new programme, costing 28 crores of rupees, has just been announced, and a private letter which I received from "India" by the last mail says that it has been sanctioned in spite of the protest of the Finance Minister, Sir James Westland. When one remembers that the condition of Indian Finance is at present most depressed, that all really important lines have been already constructed, and that many most pressing needs of the country—such as education—receive no attention from the Government, on the ground of the poverty of its exchequer, one cannot help thinking bitterly of this reckless profusion of Government in the matter of railway construction, especially as the Indian people feel that this construction is undertaken principally in the interests of English commercial and moneyed classes, and that it assists in the further exploitation of our resources.

The second suggestion is that the Guaranteed Railways should be taken over by Government at the first opportunity in each case without exception. The waiver of the right to take over the E. I. P. Railway twenty years ago was very unfortunate. Apart from the loss entailed by the high guarantee, by the unfair manner of calculating the surplus profits, and by their calculation six-monthly, instead of yearly, there is another very deplorable loss which the Indian Exchequer must bear in the matter of these Guaranteed Railways. The shares of these Companies are at a high premium, and that is due in great measure to the Government guaranteeing a high rate of interest. The premium thus is to a considerable extent only artificial, and yet Government must pay it when it has to take over these railways.

#### FAMINE INSURANCE FUND.

All statistics on the subject of this Fund are already before the Commission. Of late years there has been a deal of controversy as to the real object with which the Fund was created. I think the best evidence that I can offer on this point is to quote the following extract from the Report of a Parliamentary Committee which examined in 1879 the subject of Public Works in India, and of which Lord George Hamilton was chairman:—

"During the financial years 1877-78 and 1878-79 additional taxation was imposed in India in order to establish an Annual Famine Insurance Fund of £1,500,000. That amount was fixed with reference to the famine expenditure, which during the last six years had amounted to the enormous sum (excluding loss of revenue) of £14,487,827, of which a very large proportion had been met by borrowing."

"The object, therefore, of this Famine Insurance Fund was by increasing the revenue to avoid the constant additions to the debt of India which the prevention of periodical famines would entail, by either applying that increase of income to works likely

to avert famine, and thus obviate famine expenditure, or by reducing annually debt contracted for famine, so that if famine expenditure should again become inevitable the reduction of debt made in years of prosperity would compensate for the liabilities incurred during scarcity.

"This increase of taxation was sanctioned by the Secretary of State in Council on this understanding.

"Last September the Home Authorities received a Despatch from the Indian Government adverting to the difficulty of discriminating between works strictly productive, and those only admissible as providing against the effect of famine, and proposing to accept a yearly maximum dead-weight charge, to be fixed, as experience may suggest, for works constructed as productive, whether under the existing strict conditions, or as now proposed, in order to prevent famine, or give protection from famine, or diminish the expenditure for the counteraction of famine, if it occurs. In other words they would limit to a specific maximum amount the net expenditure for the interest on the capital cost of all such works and their maintenance, after setting off all the net income yielded by the works. In addition to the annual loss entailed by their net existing liabilities, they proposed to add an annual sum not to exceed 25 lakhs of rupees, and they thought that that amount might form a primary charge upon the Famine Insurance Fund on the consideration that the construction of any works not fully productive, according to the existing definition, which may be thus facilitated, will cause an equivalent reduction of the ultimate liability on account of famines when they occur.

"The first portion of this proposition had been already suggested by the Indian Government in 1876, and rejected by the Secretary of State in Council. The latter part of the suggestion by which it is proposed to permanently assign 25 lakhs of rupees of the Famine Insurance Fund, in order to raise money for the construction of famine works, not fully productive, is an entire inversion of the object for which the fund was raised. This increase of taxation was justified as necessary in order to meet, as far as possible, famine expenditure for the future out of income; but to immediately appropriate a portion of the income so raised to pay the interest of new loans was a proposal which, in the opinion of your Committee, the Secretary of State in Council had no option but to reject."

Lord George Hamilton is now Secretary of State for India, and, judging from a recent debate in the House of Commons, his Lordship seems to have forgotten what he wrote in 1879 as Chairman of that Parliamentary Committee. The Indian people, however, have a better memory.

### THE CIVIL DEPARTMENTS OF THE BOMBAY PRESIDENCY.

I now come to a criticism of the Civil Departments of my Presidency, on which subject, I understand, the Commission would like to hear my views. I may mention that a very exhaustive memorial, criticising the working of these departments from the financial point of view, was submitted in 1886 by the Poona Sarvajanik Sabha, of which I was Hon. Secretary for seven years, to the Finance Committee appointed by Lord Dufferin. In so far as the situation has undergone no change, that criticism has only to be briefly repeated on this occasion. Where the situation is altered, I must modify our observations of ten years ago.

#### GENERAL ADMINISTRATION.

The total charge under this head in 1884-85 was about 12½ lakhs of rupees. In 1894-95 it was over 14½ lakhs. A large part of the increase is due to exchange compensation allowance. About half a lakh is due to the transfer of the charges of the Inspector-General of Jails, Registration and Stamps, to this head. The increase in the Civil Secretariat is striking, being about 60,000 rupees. The expense of the staff and household of the Governor have also increased from 86,000 rupees to over one lakh. It has long been felt that the Bombay expenditure under both these heads is on an extravagant scale. In Madras they manage things much cheaper. Madras is a larger Presidency than Bombay, and yet, its Civil Secretariat expenditure was only 306,400 rupees, (1894-95,) as against 414,000 rupees for Bombay. Similarly, the staff and household expenditure in Madras in that year was 46,000 rupees, as against 107,000 rupees, for Bombay. On this point I would suggest that the staff and household allowance in Bombay should be commuted into a lump-sum of about 60,000 rupees a year.

The intermediate supervising staff of Commissioners of Divisions also comes under this head. Its cost in 1894-95 was over 3½ lakhs. This item of expenditure is a very heavy and perfectly needless drain upon the revenues. This institution of the Commissioners introduces an unnecessary step between the district and the headquarters of Government, causes culpable delay in the speed of despatch of public business, and is opposed to the proper efficiency of the District Government. The Commissionership of the Central Division was, moreover, created twenty years ago in consequence of the pressure of famine, and it ought to have been abolished as soon as the pressure had disappeared.

#### LAND REVENUE ADMINISTRATION.

The charges under this head are about 65 lakhs, and have for some years past been more or less steady. In the Presidency proper, there are 12 senior and 9 junior Collectors, with 41 Assistant Collectors. There is besides a large number of

supernumeraries. Then there are about 50 Deputy Collectors, and a large number of mamlatdars, one for each taluka. On an average, each district has one Collector, two Assistant Collectors, one or two supernumeraries, and two Deputy Collectors, with a Mamlatdar for each taluka. When the Revenue Department was first organised, the other departments of the State were not formed, and the Revenue Officers were the only officers whom Government could regard as its principal executive officers. Collectors, therefore, found it almost impossible to conduct their duties efficiently, and their staff had to be strengthened by the addition of Assistant Collectors, but during the last few years, most of the other Departments have been fully organised, and each Department has now its special staff of administrative and executive officers. Under these altered circumstances, therefore, there no longer exists the necessity of maintaining the staff of Assistant Collectors under the district revenue officer, except so far as the necessary provision of training some few covenanted Civilians for district work might require. For this purpose, one, instead of two or three—the present number of assistants—would be more than sufficient. This change, without affecting the efficiency in the slightest degree, will relieve the State of a needless and costly burden.

The district in India is the proper unit of administration, the Collector being the chief representative of Government in the district. The present scheme of District Administration, however, is radically defective and entails a large waste of public money. The great multiplication of Central Departments which has taken place in recent years, has, while imposing a heavy strain on the finances, considerably weakened the position of the Collector, and the machinery of administration has in consequence become much more vexatious to the people than it was before. The great fault of the existing system is that the number of inspecting, controlling and supervising officers is wholly out of all proportion to the number of real workers. Government, in all its departments, fixes the salaries of its officers high enough to show that it trusts these officers and expects from them efficient and conscientious work; but after showing this mark of confidence, it imposes check upon check, as if no officer could be trusted to do his duties. Perhaps such a state of things was inevitable in the early days of British rule, when everything had to be properly organised, and various administrative reforms had to be carried out. But now that things have settled themselves, and most of the work done is comparatively of a routine character, it is a sheer waste of public money to maintain such a system of checks and over-centralisation. I have already spoken of the Divisional Commissioners, who are at present only a fifth wheel to the coach. In the North-West Provinces, Punjab and Bengal, there are, besides the Commissioners of Divisions, Revenue Boards of two

or three members. This double or treble machinery serves no useful purpose beyond a nominal, but very often vexatious, check. It may be admitted that some check is necessary, but too much check defeats itself by becoming either vexatious or nominal, or both. What is wanted is a check more real, by its being more on the spot. The district being a unit of administration, the Collector's position should be that of the President of an Executive Board, consisting of his Revenue, Police, Forest, Public Works, Medical and Educational Assistants, sitting together each in charge of his own department, but taking counsel in larger matters with the heads of the other departments under the general advice of the Collector-President. To this official Board, the Chairmen of the District and Municipal Boards may be joined as non-official representatives. These ten members, thus sitting together, and representing as many departments, would form the best check on each individual department. With such a self-adjusting, simple and effective system at work, the present complicated and less efficient system of check and over-centralisation might be dispensed with to the great relief of the people, and of the finance of the Presidency.

#### FOREST.

The expenditure under this head was Rs. 964,000 in 1891-2. In 1894-5, it was Rs. 1,034,000—an increase of Rs. 70,000 in three years. The increase was mainly due to exchange compensation allowance. The administrative charge in this Department is excessive. The salaries of the Conservators, Deputy Conservators and Assistant Conservators, who, with the exception of one man, are all Europeans, amount to less than 3½ lakhs of rupees, or one-third of the whole expenditure. The department, moreover, is working in a most unsatisfactory manner, causing immense discontent and irritation among the rural classes—a discontent gradually culminating in some parts in outbreaks of lawlessness. It also comes frequently into conflict with the Revenue Department. If the work be handed over to and placed under the charge of the Collector with a Forest Assistant, its operations will be much less vexatious to the people, the conflict between it and the Revenue Department would be avoided, and the arrangement would result in a saving to the State. The Forest Department is at present controlled by three Conservators, nineteen Deputy Conservators and nine Assistant Conservators. There are besides about twenty extra Assistant Conservators. This excessively costly staff could now be reduced and replaced by much cheaper agency, if the suggestions made above were carried out. Moreover, the work done by the lower paid establishment should be, as far as possible, handed over to the village officers, who would do it much more efficiently and cheaply, as a small increase in their

existing remuneration would be deemed by them as adequate payment for the extra work.

Forest, Irrigation and Agriculture, are all at present separate Departments, each working in its own orbit, though they all are supposed to discharge duties practically allied to each other. The promotion of the agricultural industry of the country is the common object of all, but the Departments, being separate, work on their own lines—not always convergent to the main end; and there is necessarily a considerable waste of funds and effort. Even under the existing system, if these Departments were amalgamated, one supervising establishment would do where we now have three. The change will be attended with advantage to the agriculturists and relief to the finances of the country.

#### POLICE.

The charge under this head in 1844-95 was over 66 lakhs of rupees. In 1892-93, it was less than 51½ lakhs. The increase is chiefly due to the reorganisation scheme carried out in 1894 at an annual cost of over four lakhs for the Mofussil Police and about one lakh for the Police of the Presidency town. As in the case of several other Departments, this Department is largely over-officered in the upper staff. In 1884, the Inspector-Generalship of Police was created with a salary of Rs. 24,000 a year. The creation of this office was not favoured by the Government of India itself for a long time, but it yielded at last to the persistent pressure of the Local Government. This needless centralisation, in addition to being expensive, has disturbed the harmony which previously prevailed in the district administration, when the District Police Officer was a direct subordinate of the Collector of the District. The Police Department has no policy of its own to carry out, and it may well remain directly under the Collector of each District. I may mention that men like Sir Barrow Ellies were strongly opposed to the creation of the Inspector-Generalship.

The superior staff has been constantly on the increase. In 1879, the number of District Superintendents and Assistant Superintendents was 22. In 1886-87 it was 30. It now stands at 38, all Europeans. There are besides about nine Probationers. The institution of the grade of Police Probationers has all along been regarded by the Indian public as a great scandal, and evidence was offered before the Public Service Commission that all the 13 Probationers that had till then been appointed were relatives of persons occupying high posts in the Administration—men who had failed in qualifying themselves for any other career.

But while the Superior Staff is excessive and too costly, the lowest grades in the Department—the class of Constables—require large improvement. A much better type of men must be attracted to the ranks by offering adequate inducement. It is no



exaggeration to say that the Indian Police of the present day, outside the Presidency towns, are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery to the bulk of the people. They are often found to be themselves actively aiding and abetting crimes—especially crimes connected with property. Outside the Presidency towns there is no detective service worth mentioning. A large increase of expenditure is necessary if the Department is to be effective for protecting, and not harassing, the general population.

### EDUCATION.

Here, too, a large increase of expenditure is necessary if Government desires to discharge its duties adequately by the people. The charge under the head of education at present is about twenty lakhs, of which three lakhs are consumed by direction and inspection. Our percentages are, no doubt, slightly better than those for the whole of India, but that is hardly a matter for congratulation, seeing that what is being done is almost as nothing compared with what ought to be done. So long as we have only 9,000 public primary schools for over 25,000 towns and villages, and about 80 children out of every 100 of school-going age are growing up in utter darkness, so long the educational policy of the Government will always be a reproach to it.

In this connection there is one point to which I am anxious to draw the particular attention of the Commission. That point is the absolutely inelastic character of the financial provision, which is made for primary education in rural areas. In these areas primary education is now entrusted to Local Boards, Government contenting itself with a grant-in-aid to these Boards of one-third the total expenditure. Now the only revenue that these Boards have at their disposal is the proceeds of the one-anna cess, and these proceeds are devoted in certain fixed proportions to primary education, sanitation, and roads. As our revenue settlements are for periods of thirty years, it follows that during these periods the proceeds of the one-anna cess must be more or less stationary—which means that the amount that Local Boards can devote to primary education, being a fixed proportion of these proceeds, must also remain more or less stationary, during the currency of each period or settlement. And as Government will, as a rule, contribute only one-third of the whole expenditure, i.e., one-half the amount spent by the Boards, it is clear that the resources that are available for the spread of primary education are entirely inelastic for long periods. I believe Sir James Peile had proposed, when he was Director of Public Instruction in Bombay, that local bodies should be empowered to levy special educational cesses, if they pleased. In the absence of Government finding more money for the education of the masses—a duty definitely accepted as a sacred trust—this seems to be the only possible solution of the difficulty.

## LAW AND JUSTICE.

The charge under this head in 1894-5, including the cost of jails, was 46 lakhs of rupees. Of this sum, the expenditure on the High Court came to about 6¾ lakhs. It has long been a matter of complaint that our High Court is managed on a more extravagant scale than that of Madras, the expenses of the latter in 1891-5 being less than 5½ lakhs. The great item of difference is the expenditure of the Original side, which in Bombay is about 2¼ lakhs, and in Madras not even one lakh. The Appellate side of the Bombay High Court, which does the Appellate work for the whole Presidency, is maintained at a cost of about one lakh of rupees only. The expensiveness of the High Court is, however, not due so much to the cost of the machinery employed as to the monopoly enjoyed by Solicitors and Barristers, whose fees represent a charge on litigation which is almost prohibitive. It is, indeed, high time that the system of the Civil and Criminal Administration of Justice in Bombay was improved so as to render it less costly. The Finance Committee of 1896 made certain proposals about reducing the cost of the Bombay High Court, some of which have not yet been carried out. The Clerk of the Insolvency Court still continues to receive fees amounting to nearly the salary of a puisne Judge for only nominal work.

The Judicial Department is specially a department for high posts in which the qualifications of Natives have been repeatedly recognised. And yet among all the District and Sessions Judges of the Presidency, there is not to be found a single Native except Mr. Tagore, who, however, got in by passing the competitive examination in English. The Public Service Commission recommended that one-third of the District and Sessions Judgeships should be set apart for Natives. No effect, however, has yet been given in practice to that recommendation.

The question of the separation of Judicial and Executive functions comes under Law and Justice. It is contended, on behalf of Government, that such separation would entail extra expenditure of something like half-a-crore of rupees for the whole of India. Now, in the first place, this appears to be simply an over-estimate. Assuming, however, that the additional cost would be as high as that, it is much less than what was given to the European Services, by one stroke of the pen in 1893—I mean the Exchange Compensation Allowance.

This year, in certain famine areas, Sub-Judges are entrusted with criminal work also to the relief of revenue officers, and the experiment so far has succeeded very well. A similar experiment was tried during the famine of 1877 with equally satisfactory results.

The Stipendiary Sub-Judges and Sub-Magistrates may with advantage be relieved of a portion of their lighter work, by the appointment of Honorary Magistrates and Arbitration Courts. Honorary Magistrates have already been appointed in the larger towns, but benches of such Magistrates may be constituted in Taluka towns with great advantage to the Government and the people. Further, the caste and trade Panchayats may be utilised for the purposes of settling Civil disputes. There has already been a reform in the manner of disposing of petty cases, and Arbitration Courts have been reorganised as cheap and efficient institutions for the administration of justice in small cases. If the same principle be extended to the Courts of Subordinate Judges, and if Civil Juries are associated with Sub-Judges in the disposal of suits involving larger amounts of money, as also in deciding questions regarding rights and customs, ample relief will be afforded to the superior Courts, which may ultimately enable considerable economies to be effected.

#### PUBLIC WORKS DEPARTMENT.

The expenditure under this head, including Provincialized Railways and Irrigation and Civil Works, was about 35 lakhs of rupees in 1894-5, out of which about one-third was for establishment. The first two items came to a little over one lakh, and the rest was for Civil Works. Except in Sind, we have no irrigation worth speaking of, and I think it would be a great advantage if the construction of storage tanks and wells in areas where the rainfall is uncertain were undertaken by Government on a large scale and in a systematic manner. As regards the Civil Works outlay, it is noticeable that the highly paid machinery of Executive Engineers, etc., is still kept up in all the Districts, though in several of them the expenditure on Civil Works from the Provincial revenues does not exceed a merest trifle, and the works required by the Local Funds are of a sort that far lower establishments can safely undertake. The reduction in the Executive Engineers's charges appears to be urgently called for.

#### MONOPOLY OF ALL HIGHER OFFICES BY EUROPEANS.

Similar criticism might be offered about the remaining Departments, but I have no wish to weary the Commission with further observations of the kind. But there is one great evil common to all the Departments, and a few words on that may be allowed. This evil is the practical monopoly of all the higher posts by Europeans. The following analysis of the Civil List for the Bombay Presidency for January, 1897, will make my meaning clear:—

*Covenanted Civil Servants*, or as they are now called, *Civil Servants of India*. The total number of these Civil Servants

attached to Bombay at present, is 156, out of whom only five are Indians, these five having entered by the competitive door in England. There are, besides, eight statutory Indian Civilians. The Members of Council, the High Court Civilian Judges, the Commissioners of Divisions, the Secretaries to Government, the Senior Collectors are all Europeans. There is one native among the District and Sessions Judges, and one native Acting Junior Collector among Junior Collectors.

*City Magistrates.*—There are four City Magistrateships, two on Rs. 800 a month, and two on Rs. 500 a month. The two former are held by Europeans (not covenanted), the two latter by natives.

*Land Records and Agriculture.*—There are six posts in this Department, with a salary of over Rs. 400 a month. They are all held by Europeans.

*Forest Department.*—There are 29 posts in this Department, with salaries ranging between Rs. 400 a month to Rs. 1,600 a month. They are all held by Europeans. There are nine Europeans even below Rs. 400 a month.

*Salt.*—There are 12 posts with salaries ranging between Rs. 400 to Rs. 1,130 a month. Only one of these is held by an Indian.

*Post.*—The Postmaster-General is a Civilian. There are 11 posts under him, with salaries above Rs. 400, out of which seven are held by Europeans.

*Telegraph.*—There are 12 posts in this Department, with salaries ranging between 400 and 1,000 rupees, and they are all held by Europeans. There are, moreover, 40 posts between Rs. 100 and Rs. 400 a month. Of these, also, 36 are held by Europeans.

*Revenue Survey.*—There are 10 posts in this Department, with salaries above Rs. 400. They are all held by Europeans.

*Accountant-General's Department.*—The Accountant-General and Deputy Accountant-General are Civilians. There are five posts under them, with salaries ranging between 400 and 1,000 rupees, four of which are held by Europeans.

*High Court Judges.*—Out of seven Judges, two are Natives.

*Government Law Officers.*—There are seven Government Law Officers of whom six are Europeans. Four of these get Rs. 2,000 a month and above, one gets Rs. 1,000, and the sixth man gets Rs. 250. There is only one native among these, who is paid Rs. 300 a month.

*Officers of the High Court.*—There are 14 officers, with salaries ranging between 400 and 2,500 rupees a month. Of these six are Natives.

*Prison Department.*—The Inspector-General draws Rs. 2,000 a month, and there are under him 11 officers receiving Rs. 350 to Rs. 1,200 a month. They are all Europeans.

*Cantonment Magistrates.*—There are 11 such Magistrates, with salaries ranging from Rs. 100 to Rs. 1,250 a month. They are all Europeans.

*Police.*—There are 54 officers in this Department, with salaries ranging between Rs. 250 and Rs. 1,800 a month. Of these only three are natives, and they are all drawing Rs. 250 a month. There are, moreover, five officers in charge of Railway Police. They are all Europeans, and draw salaries ranging between Rs. 350 and Rs. 1,000 a month.

*Education.*—The Director is paid Rs. 2,500 a month, and under him there are 45 officers receiving between Rs. 400 and Rs. 1,500 a month. Of these only 10 are natives, and with one exception, they get either 400 or 500 a month—the one gentleman mentioned as an exception is a Native Christian, and draws 633 rupees a month.

*Ecclesiastical.*—There are 31 paid officers in this Department. They draw between Rs. 400 and Rs. 800 a month, and are, of course, all Europeans.

*Medical.*—The Surgeon-General draws Rs. 2,500 a month, and there are under him 59 officers drawing salaries between 400 and 1,600 rupees a month. Out of these only four are natives.

*Sanitary.*—There are seven posts in this Department, with salaries between Rs. 400 and Rs. 1,200 a month. They are all held by Europeans.

*Political.*—There are 66 officers in this Department, drawing salaries ranging between Rs. 400 and Rs. 3,500 a month. Only two of these are Natives, one of them drawing Rs. 400 and the other Rs. 450 only.

*Public Works.*—There are 83 officers in this Department, drawing salaries between Rs. 250 and Rs. 2,500 a month. Of these 23 are Natives.

The Subordinate Judgeships and Deputy Collectorships are the only branches of the Public Service which are free from this practical monopoly by European officers.

#### APPORTIONMENT OF CHARGES BETWEEN ENGLAND AND INDIA.

On the narrower ground which the Government of India have chosen to occupy in this matter, they have, I think, stated the case for India very effectively. I agree, however, with Mr. Dadabhai Naoroji and Mr. Wacha in thinking that the field, in respect of which equitable apportionment is necessary, is much wider than that. I will add a few observations to explain my meaning:—

##### (1)—*The India Office Charges.*

These stand at about £273,000, and ought to be borne by England, or at least divided half-and-half between England and India. The Secretary of State for India, as a member of the Imperial Cabinet, represents of the Imperial Executive, and

discharges the Imperial function of general controlling supervision in respect of Indian administration just as the Secretary of State for the Colonies does for the Colonial Governments. The salary of the Colonial Secretary, together with his office charges, is borne on the Imperial Estimates. In strict justice, therefore, the India Office ought to form part of the Imperial Establishments and paid out of the Imperial Exchequer. I am, however, aware that it is urged on the other side that, under present arrangements, the India Office has to do much directive and executive work in regard to Indian administration which the Colonial Office is not called upon to do, and I should, therefore, be satisfied if the charges were divided half-and-half between India and England.

*(2)—Army Charges Due to Recent Additions.*

These increases were due to the panic caused by the Penjdeh incident, and were alleged to be necessary for the better protection of the North-West frontier. Upper Burmah was, however, subsequently annexed. British Baluchistan was organised, various frontier enterprises carried out, and almost the entire increased strength has been thus absorbed in these newly conquered territories—a fact that shows that they were not really required for purposes of the defence of the North-West frontier.

Similar temporary additions were made at the same time to the Imperial garrisons in other parts of the Empire in view of an imminent conflict with Russia, Mr. Gladstone obtaining a large vote of credit for this purpose. But as soon as the emergency passed away, the garrisons were reduced; only in India was the increased strength maintained.

These additions were in excess of the maximum defence requirements of the country as defined by the Army Commission of 1879 in view of frontier and other contingencies—even Russia and Afghanistan making common cause.

The additions were protested against when made by two members of the Viceregal Council, including the Financial Minister, who urged that in the first place they were not necessary, and that, secondly, if they were wanted, that was for purposes of the Imperial policy, and the Imperial treasury should pay for them.

This increased force, therefore, of 30,000 troops forms no part of our Indian army proper, but is an Imperial garrison and serves as an Imperial Reserve, and the cost of it ought to be an Imperial charge.

*(3) Our Ordinary Debt.*

Our ordinary debt, as distinguished from our Public Works debt, stands at present at 68 crores.

This portion of our debt would not have until now remained undischarged but for charges unjustly imposed upon us in the

## 54 EVIDENCE BEFORE COMMISSIONS.

past in respect of various wars and expeditions in promotion of Imperial Schemes of territorial expansion.

	Cost in Crores.
First Burmese War (1823) ... ..	13
First Afghan War (1838—42) ... ..	15
Abyssinian War ... ..	6
Second Afghan War:—	
Total Cost ... ..	22 Crores.
Minus Imperial Contribution 5 ..	17
Egyptian War .. ..	1.2
	46.8

Add to this 67.8 crores thrown upon India since 1855, in pursuance of an Imperial policy, as shown in the following table:—

Frontier Expenditure since 1885.	Aggregate Charge during the Period in Crores.	Permanent Annual Charge in Crores.
Military Road ... ..	1.250	...
Strategic Railways* ... ..	14.000	600
Special Defence Works... ..	4.630	...
Army increases (including Baluchistan Garrison) ... ..	22.000	3.900
Frontier Extension:—		
1. Upper Burmah ... ..	14.920	925
2. British Baluchistan ... ..	...	686
3. The Gilghit Agency and Protectorate (including Chitral) ... ..	...	220
4. Somali Coast ... ..	...	612
5. The Afghan Protectorate ... ..	...	180
Cost of Expeditions, &c. (exclusive of Burmah) ... ..	8.240	...
Political Expenditure ... ..	2.838	457
Total in crores... ..	67.878	6.380

\* The charge is met from capital and not from current revenue.

We thus get a total of 114.6 crores of rupees, unjustly imposed by the Imperial Government on us in furtherance of its own policy. If even half the sum were refunded to us, our ordinary debt will practically disappear.

I would mention in this connection that we have paid every shilling of the cost of the British Conquest, including even the cost of the suppression of the Mutiny (which was close on 50 crores) England contributing absolutely nothing in aid of all this expenditure, though her responsibility for the latter event was possibly greater than ours, in consequence of the withdrawal of European regiments from the country, despite the protest of the Government of India for service in the Crimea and Persia.

England has paid such charges for Imperial Conquest or settlement in respect of her Colonies. She has even paid the cost of the suppression of the insurrection in Canada (1838-43) out of Imperial Revenues. Nor has she ever called upon her Colonies—not even the Cape—to undertake Imperial wars or to contribute towards their charge.

UPPER BURMA lies beyond the Indian frontier, and we have had no interest in its conquest and annexation except as a province to be held and administered as an Imperial trust. The conquest was effected in furtherance of Imperial policy and the commercial interests of the Empire, and no special Indian interest was ever here at stake.

British Baluchistan and the Gilghit Protectorate are beyond the line of our impregnable defences, and India has no concern with them except as Imperial charges.

These are new conquests, and as years pass by will require large expenditure for purposes of administrative improvement and material development. And it is suggested that they be taken off our hands—as Ceylon, St. Helena, and the Straits Settlement were in a former day—and be directly administered as appanages of the Crown.

Bechuanaland (South Africa) is administered as a Crown Colony, and is not thrust on the hands of the Cape.

#### POLITICAL EXPENDITURE BEYOND THE FRONTIER

This is properly Foreign Office Expenditure as connected with the general foreign relations of the Empire. Foreign policy and control of foreign relations are Imperial functions, and charges in connection therewith, in whatever part of the Empire, ought to be borne on the Imperial Estimates.

India has no interests whatever beyond her territorial borders, and has only to maintain peace and order on her own side of the frontier. The Indus, the desert, and the Himalayan



Wall are impregnable lines of defence on the North-West, behind which she can remain in perfect security.

All such expenditure, therefore, as is represented by the subsidies to the Amir and other tribal chiefs, and other like charges are strictly Imperial in furtherance of Imperial interest in mid Asia.

THE IRREDUCIBLE MINIMUM OF EUROPEANS. Lastly, if England thinks that a certain number of European officers and a certain strength of the European Army *must* always be maintained in India, she must be prepared to pay a fair share of the cost thrown on India for the purpose, the maintenance of British Supremacy in India being a matter affecting the most vital interests of England.

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# EVIDENCE IN CROSS-EXAMINATION

OF

GOPAL KRISHNA GOKHALE.

*April 12th and 13th, 1897.*

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(Chairman.) The Commission is very glad to have this opportunity of obtaining your opinion on questions connected with the administration of the Government in India. Would you tell us the subjects to which you have devoted your attention, and the employment which you have held in India?—I am honorary secretary of the Deccan Sabha, an Association established in Poona for promoting under British rule the political interests of the Indian people. For seven years I was honorary secretary of the Poona Sarvajanik Sabha, another political association in Poona of a similar character, and honorary editor of its quarterly journal, a magazine dealing principally with questions of Indian finance and Indian administration. I am, besides, a member of the Council of the Bombay Presidency Association, on whose behalf my friend Mr. Wacha has given evidence before this Commission. For four years I was one of the secretaries of the Bombay Provincial Conference. I was also a secretary of the 11th Indian National Congress that met in Poona in 1895. I was for four years one of the editors of the *Sudharak* or Reformer, an Anglo-Marathi weekly of Poona. Lastly, I belong to a body of men in Poona who have pledged 20 years of their life to the work of education, and am Professor of History and Political Economy in Fergusson College.

How would you like to divide your evidence?—In accordance with the plan adopted by the Commission, I will divide my evidence into three portions, the Machinery of Control, the Progress of Expenditure, and the Apportionment of charges between England and India.

Then, we will take, first of all, the machinery of control, and perhaps, you would give us your views upon that subject?—The question of the machinery of constitutional control is, in my opinion, a question of the highest importance. I may state at the outset that the position of India, so far as the administration and management of her expenditure is concerned, is somewhat

exceptional. In the United Kingdom and the Colonies, public expenditure is administered under the control of the tax-payers, and, therefore, presumably solely in the interests of the tax-payers. In India, however, other interests are often deemed to be quite of equal importance, and sometimes indeed they are allowed to take precedence of the interests of the Indian people. Thus we have, first of all, the standing claims of the interests of British supremacy, entailing a vast amount of expenditure, the benefit of which goes to others than the tax-payers of the country. The large European Army maintained on a war footing in times of peace, the practical monopoly of nearly all the higher offices in the Civil Services by Europeans, and the entire monopoly of such offices in the Native Army illustrate what I mean. I do not deny that this supremacy in itself has been a great advantage to India, but what I mean is that the price that is exacted for this advantage is beyond all proportion too high. We next have the interests of the extension of British dominion in the East. Large sums have been from time to time spent in the past for this purpose out of the Indian Exchequer—in many instances in spite of the protests of the Indian Government—and if things continue as at present, this misapplication of India's money is not likely to stop. All expenditure incurred in connexion with the Afghan and Burmese wars, the extension of the Northern and North-Western frontiers, and the utilisation of Indian troops for Imperial purposes is expenditure of this description. Then there are the interests of the European Civil and Military Services in India. The extravagant privileges conceded to Staff Corps officers in 1866 have, it is now admitted on all hands, imposed, and improperly imposed, a heavy charge on the Indian revenues. The reorganisation of the Public Works Department in 1885 may be cited as another illustration. The Finance Committee of 1886, appointed by Lord Dufferin's Government, consisting of men like Sir Charles Elliott, late Lieutenant-Governor of Bengal, Mr. Justice Cunningham, Sir W. W. Hunter, Mr. (now Sir James) Westland, Mr. Justice Ranade, and others, thus expressed themselves on this subject: "The reorganisation of the (Public Works) Department was undertaken in consequence of an agitation on the part of the European Civil Engineers employed in it, which was conducted in a manner likely in our opinion to have a bad effect on discipline and therefore deserving of the disapproval of Government. It seems to us to have violated the orders of Government on the subject of combinations by its servants. Such an agitation would not have been permitted in any other department and should not again be allowed. The object of the reorganisation was to improve the position of the officers of the department generally, and in particular to remove the block of promotion, which had arisen from the excessive number of recruits obtained from Cooper's Hill College in the earlier years of that institution. During the continuance of the discussion which we

"have summarised, great attention was given to the grievances of the officers of the department, but a careful consideration of the whole subject leads us to doubt whether the measures sanctioned were altogether suitable, either in kind or in respect of the classes to which they were applied. They mostly consisted of increments of pay to the Executives of the third and fourth grade, and to the Assistant Engineers of the first and second grades, none of which classes of officers were at the time, so far as we understand the case, in particular need of special assistance, and of the grant of greatly improved pensions to all officers of both classes, and they were made perpetual in their application." The concession made in 1890 to uncovenanted civil servants, whose pensions were fixed in rupees, that these pensions would be converted into sterling at the rate of 1s. 9d. to the rupee, and the grant of exchange compensation allowance to all non-domiciled European and Eurasian employes of Government indiscriminately are more recent instances. Lastly the interests of British commerce and of British commercial and moneyed classes often prevail over the interests of the Indian tax-payers. I might have mentioned the abolition of import duties during the administrations of Lord Lytton and Lord Ripon, as also the tariff legislation of last year as instances. But they do not come under expenditure and may therefore possibly be regarded as irrelevant. But the wasteful nature of many railway contracts, the extraordinary help given to the Orissa Company, the Madras Irrigation Company, and such other bodies of English investors, the vigour with which the construction of railways is being pushed on programme following programme almost in breathless succession, in spite of the protest of the Finance Member that the finances of the country now needed a respite in that direction, the conquest and annexation of Burmah, practically at the bidding of a powerful English trading company; these are instances which are not open to the same objection. This frequent subordination of the interests of the Indian tax-payers to these other interests makes it all the more imperative that the machinery of constitutional control should provide adequate safeguards for a just and economical administration of the Indian expenditure, and yet, I fear, nowhere are the safeguards more illusory than in our case.

You say there that other interests are often allowed to take precedence of the interests of the Indian people. May it not be said, on the other side, that the measures which you name are not taken in the interest of a class, but that they are undertaken in the interest of good government in India?—It all depends on what is meant by good government; our view is that these concessions are more in the interests of particular classes than of the Indian people.

I want to bring before you what would be the counter-statement, namely that the Indian Government, which is responsible

for good government in India, has considered a number of these measures to be necessary for good government in India, and therefore this *per contra* argument should be borne in mind, should it not?—Oh, I know that, but it may also be remembered that responsible officers of Government itself after a time condemn many of the steps taken previously; for instance, the members of the Finance Committee condemned what the Government had done only five or six years before; the Government themselves have admitted that in the matter of the Staff Corps officers they made a great mistake. Then there is another thing also that no one expects the Government to openly acknowledge, namely, that these measures are intended in the interests of the services; nobody ever could expect that. Of course, whenever they are adopted, they are adopted ostensibly in the interests of good government; but the Indian people cannot help feeling that they are really adopted in the interests of certain classes. I am putting forward, of course, the view of the Indian people; I know that there is that view on the other side, which Government puts forward occasionally.

(*Sir Andrew Scoble*.) You do not profess to speak on behalf of the whole of the Indian people, do you?—Well, I profess to speak on behalf of the Deccan Sabha in the first instance; but, judging from the resolutions of the Congress, and the petitions which several other political bodies have from time to time addressed to the Government on the subject, I claim the views of the Congress party are the same.

(*Chairman*.) You speak of the large expenditure which has been laid out in the interests of the extension of British dominion in the East. On the other side, would not the Indian Government say that, according to the best of their knowledge and experience, that expenditure was necessary for the maintenance of peace and good Government in India?—Yes; but in several cases the expenditure was forced upon India in spite of the protests of the Indian Government. The Afghan War of 1879, for instance, was ordered practically by Lord Beaconsfield from home. Lord Northbrook resigned previously rather than send a Consul to Cabul. In the same manner the first Afghan War was forced by the Board of Control on the Indian Government against the wishes of the Indian Government.

The point I wish to bring to your attention is this, namely, that in stating what you consider to be the opinion of the Indian people you state quite fairly one side of the question. On the other side, we ought to bear in mind that the Government which was responsible did think those measures were necessary in the interests of good government?—Of course, I do not dispute that, —

And, therefore, there is something to be said upon the other side; without holding that that is a complete answer, I bring

before you the fact that there are two sides to the question?—  
Yes.

I think you notice in one or two passages of your statement, a number of what appears to you to be errors on the part of the Indian Government. You speak of the wasteful nature of railway contracts; the extraordinary help given to certain irrigation companies, the grants made by way of compensation allowance, and so forth. Well, I believe in each of those cases the Indian Government have arguments which it would oppose to your view that these were all cases of wasteful expenditure; but even granting for the moment that they were so, is it not the case that all Governments make mistakes; and supposing that India was entirely free from British domination, do you not think that they would be liable to and would commit mistakes of the same kind?—I do not question the motives of the Indian Government; I do not even say that no other Government ever commits mistakes in that way. All I say is that, if there had been better control, those mistakes would have been possibly minimised, if not absolutely avoided; my point is that.

Then, next, would you give us your views on the machinery as it exists at present?—The spending authorities in the matter of Indian expenditure are the Provincial Governments, the Government of India, and the Secretary of State in Council (to which we must also add the Secretary of State in the Secret Department.)

Would you explain what you mean by the Secretary of State in the Secret Department?—The Secretary of State in the Secret Department might send out orders to the Government of India without the knowledge of this Council, and these orders might ultimately entail very large expenditure; therefore, practically, he orders that expenditure, and I look upon him in that sense as a spending person.

(*Sir Donald Stewart.*) Can you give any examples of that?—Yes; this Afghan war, for instance; the orders in connexion with the Afghan war were sent direct by the Secretary of State to the Government of India.

Any more recent ones?—I believe that it is relevant, but I am not quite sure, because the point is not in connexion with expenditure—but I believe tariff legislation and things of that kind have been ordered from here.

But you refer to expenditure?—Yes, I refer to expenditure. Well, it is so difficult to say, because the proceedings of the Council are not available to us; but, as we know from the constitution of the Council that the Secretary of State can send out orders, I am pointing out a defect in the constitution.

When you speak of the Afghan war are you referring to the 1879 Afghan war? The 1879 Afghan war; the first Afghan war was also ordered by the Board of Control, as far as I understand.

(*Sir Andrew Scoble.*) When you speak of the Secretary of State in the Secret Department, do you mean to assert that there is any Secret Department in the Indian Office, or that the Secretary of State, when he acts in the way that you describe, is acting as the mouthpiece and organ of the British Government? Yes, that is what I mean, without the knowledge and sanction of his Council.

And of the British Government?—Of course with the knowledge of the British Government, but without the knowledge of the Council.

(*Sir Donald Stewart.*) But that is not quite correct?—I am open to correction; but this is the opinion that I have formed after reading what literature has been available to me on the subject.

(*Mr. Courtney.*) Is it without the knowledge of the Council, or without the assent and concurrence of the Council?—Without even the knowledge of the Council he can send orders; if he marks a despatch as confidential or secret, the Council cannot see it.

(*Sir James Peile.*) Can he send it without the knowledge of any of the Council?—It is so difficult to say; he may, if he likes, show it to some.

You do not know?—I do not know.

You should not be so positive then?—I believe the Council means the whole Council; and if only one or two members see it that is not Council seeing the thing.

(*Mr. Naoroji.*) That is at the discretion of the Secretary of State?—The Secretary of State.

(*Chairman.*) But do you found your opinion of this power which you attribute to the Secretary of State upon any clause or section in the Act of Parliament regulating the Government of India?—Yes; this power that the Act gives to the Secretary of State to mark a despatch as confidential, and then send it on without the knowledge or cognisance of the Council, that is what I have in view.

And that, you say, is actually contained in the Act itself, is it?—Well, that is my impression.

(*Sir Donald Stewart.*) As I gather from the witness, he is referring to orders that may be issued in the Secret Department which cause expenditure.

(*Chairman.*)—That I understand?—Orders, which ultimately may lead to expenditure, not immediately.

(*Sir Andrew Scoble.*) Either directly or indirectly?—It may only be a course of policy or a course of conduct which immediately may not involve expenditure, but in the long run it may make expenditure inevitable.

Can you give any instances of what is in your mind when you say that, because if there were an order to take military proceedings, which is one case that you have mentioned, that would involve immediate expenditure, would it not?—It is so difficult for us to say definitely, because we do not see the proceedings of the Council; but I have such a case as this in mind, for instance, the Secretary of State wishes that the British Government should send an embassy to some place outside the limits of British India; well, if he marks that despatch as confidential, it need not come before the Council and the Council need not see it. However, the sending of this embassy may ultimately bring the country into difficulties that might lead to war.

Have you in your mind any concrete case of the kind?—Well, I think the consul that was sent to Cabul in 1879 by the Government of India; that was in consequence of instructions which Lord Lytton received direct from the Secretary of State.

That is your impression?—Yes, that is my impression.

(*Sir Donald Stewart.*) But in that case any expenditure that was involved in sending the embassy must absolutely come before the Secretary of State in Council, and be discussed in Council?—I thought that the mere sending of the embassy, if the despatch was marked confidential—

I gathered your argument referred to a question of expenditure?—Yes; but it is not direct expenditure.

And all expenditure has to be discussed in Council?—What I mean is that, if it directly involved expenditure, it would come before the Council, but, if it only ultimately may involve expenditure, it would not come before the Council necessarily.

No expenditure whatever can be sanctioned by the Secretary of State without the concurrence of his Council?—Yes, I know that; but he might order a line of policy which immediately may not involve any expenditure, but which ultimately may necessitate expenditure. It then becomes merely a question of policy.

(*Chairman.*) Perhaps you would go on; you were dealing with the controlling authorities, I think?—The controlling authorities at present are: the Government of India controlling the Provincial Governments, the Secretary of State in Council controlling the Government of India (the Council sometimes tries to control the Secretary of State, but it is now much more dependent on him than it was once), and Parliament in



theory controlling all. Now, in the first place, all this is purely official control, unless indeed, by a stretch of words, we regard the theoretical control of Parliament as to some extent popular. Real popular control, in the sense of control by the tax-payers, is, practically speaking, entirely absent from the whole system. There are, no doubt, the Provincial and Supreme Legislative Councils in India. But, so long as the budgets are offered for criticism only and have not got to be passed, and so long as the members are not allowed to move any resolution in connection with them, they cannot be called controlling bodies in any proper sense of the expression.

Would you not allow that the free power of criticism is a real exercise of the power, I will not say exactly of control, but of check?—To some extent it may be a check, but it is not control; that is what I am saying. Of course, I admit that there is value, a great deal of value in these discussions. Secondly, I venture to think that even this official control, such as we have it, is, except in the case of Provincial Governments, of very little value from the tax-payers' point of view. The Provincial Governments are indeed controlled, and more than controlled, officially—they are, in fact, crippled. But as regards the Government of India and the Secretary of State in Council, where they are in agreement, their powers of incurring increased expenditure are almost unlimited; and unfortunately they are generally found to be in accord in matters in which the Indian tax-payer feels a direct interest, their differences being usually about matters for which he cares little or nothing.

Would you explain what you mean by "matters for which he (the Indian tax-payer) cares little"?—Well, I might take the case of the increase of the army. Now that was a question in which the Indian tax-payer felt a direct interest. The Government of India proposed, and the Secretary of State sanctioned, the increase by telegraph. I do not mean here to question anything that they do; all that I want to do is to point out that in matters which involve large expenditure they are generally found to be in accord.

But then you say that their differences are in matters for which the Indian tax-payers care little?—Yes. They may differ as to whether there should be so many officers in a particular regiment or not. They sometimes differ from one another in such matters, but we do not feel much interest in their differences. If they differed, that would be a safeguard, because then the Secretary of State would act as an appellate body.

I think you have mentioned, have you not, that, on one or two occasions, on important questions there has been a

difference between the Secretary of State and the Viceroy?—Yes; and to that extent that was very valuable; but I wish that they differed oftener than that.

Still your statement is put very broadly; would you not make some qualification?—I have been careful, I think, my Lord. I have said, I think “their differences being usually about matter”—on rare occasions they do differ—but usually “about matters about which we did not care much.” Lastly, sections 55 of the Government of India Act of 1858 is supposed to give protection to Indian revenues against their application to extra-Indian purposes; but it is now well-known how that section has failed to attain its object in practice. I will explain that later on.

Will you tell us what you consider to be the result?—The result of this state of things have been very unfortunate. Under the East India Company our revenues were certainly much better protected. The Company's government was, so to speak, a strong buffer between Indian interests and Imperial interests; and as Sir Charles Trevelyan has observed, it was often able to offer a successful resistance to the demands of the Queen's Government.

Would you explain a little more what you mean by the revenue under the East India Company being better protected; in what sense do you mean that?—Against the demands of the Imperial Government, the Government here at home. Sir Charles Trevelyan has given that in detail before the Fawcett Committee, and he says that it often happened that extra charges were attempted to be put upon India, and the representatives of the Company fought with the representatives on the other side, and generally they carried their point. I have taken the statement from Sir Charles Trevelyan's evidence.

And do you think that in the financial administration of India itself the East India Company was more economical than the Queen's Government?—I think so. I think they were much more economical. It might be mentioned that so far as possible they avoided extra taxation; that was a characteristic feature of pre-Mutiny finance; as far as possible, they avoided additional taxation.

But there was a good deal of extra taxation put on under the East India Company, was there not?—Not much. If the whole period of their rule were examined, it would be found that they generally adhered to the taxes that were already in existence; and that it is since 1857 that so many more taxes have been imposed upon the country. This point, also, is brought out very well by Sir Charles Trevelyan in that evidence.

Will you proceed?—The inquiry which Parliament used to make into Indian affairs every 20 years in those days, and the spirit of jealous wakefulness which it used to exhibit on those and other occasions, were a further protection to Indian interests.

With the establishment of the direct administration of the Crown all this has gone, and the administration of the Indian revenues is now practically entrusted to a Cabinet Minister, assisted by a Council of his own nomination, a Minister who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics rather than to Indian interests, and who is peculiarly liable to be swayed by the varying currents of English public opinion and other English influences. All financial power in regard to expenditure, executive, directive, and controlling—is centred in his hands; and with all these vast concentrated powers he has really no responsibility except to the Cabinet, of which he is a member and of whose support he is always assured, and to Parliament where he has a safe majority behind him in virtue of his position as a Cabinet Minister. The position virtually amounts to this, that it is the administration of the finances of one country by the Executive Government of another, under no sense of responsibility to those whose finances are so administered.

You say that all financial power in regard to expenditure is centred in his hands; are not the Council a check upon him in matters of expenditure?—Well, they are supposed to be a check; but I must say that we are not impressed by the way in which that check is exercised. Recently, for instance, there was an example in connexion with these Suakin charges. Two members, Sir James Peile and Sir Donald Stewart, protested, and the whole of India in fact was of the same opinion; the Government of India itself was of that opinion; and yet the Secretary of State was able to carry his point, so that practically he is supreme; the position comes to that.

But, though there was a protest made by two members of the Council, I gather from your statement that the remainder of the Council supported the Secretary of State?—That must have been so, I believe; that is also the inference I would draw.

And, therefore, that proves nothing to the effect that the Secretary of State has autocratic power in the matter?—Except this that the members do not care to differ from him—perhaps I ought not to use that expression—but they generally are disposed to agree with him—the majority of the members. Well, that does not amount to an effective check.

Have you any reason for saying that the members generally agree with him?—That is what has been said by many men. Sir Charles Trevelyan notably said that he was hopeless of the Indian Council; “hopeless” was the expression that he used with all his knowledge. I mean to cast no reflection on any of its working, but that is the feeling in India. If the other members had taken the view that was taken by these two members, that would have been a good check.

But, of course, the other members of the Council may have been conscientiously of opinion that the step was the right one?—I quite admit that; I do not mean to say that they must have done it against their conscience, but we deplored their vote all the same.

For years past we have been treated as a vassal dependency, bound to render services to the suzerain power and to place our resources, whenever required, at its disposal. As a result, millions upon millions have been spent on objects which have not advanced the welfare of the Indian people so much as by an inch—even the empty sense of glory, which is a kind of barren compensation to self-governing nations for such large expenditure of money, is not available to us as a consolation. And not only have these vast sums been thrown away in the past—thrown away, of course, from the Indian tax-payer's point of view—but, as a direct result of that expenditure, the country is now pledged to indefinite, and possibly vaster, liabilities in the future. And all this has gone on, while the expenditure on objects which alone can secure the true welfare and prosperity of the people has been woefully neglected.

You say that as a result millions and millions have been spent on object which have not advanced the welfare of the Indian people so much as by an inch. Could you tell us what you have in your mind when you say that?—I have in mind the past expenditure that has been incurred on the Northern and North-Western frontier in connexion with the frontier Imperial policy. When I say that that expenditure has not advanced our welfare by an inch, I mean that in matters of education, in matters of domestic improvement, we are where we were, whereas this expenditure has been going on increasing.

Would you apply that criticism to all defensive expenditure—that it is thrown away?—It would involve a discussion of a question of policy, but my own view is, that the Government ought to have confined themselves to the natural defences that they had, and not have gone beyond the frontiers and incurred all this expenditure.

That is quite a legitimate opinion of your own, but it is only your own opinion?—Of course, I can state only my own opinion.

And, I think, when you and I are speaking across the table, we are neither of us military authorities, are we?—I admit that. But it is not our fault, I mean the fault of Indians like myself, that we do not see the military point of view just as the military people would like us to understand it; we are non-official critics, and all the information that is available to us we utilise.

But we must bear in mind, must we not, that, while the criticism is what I may call lay criticism, though it may be perfectly legitimate criticism, on the other hand, a different opinion

has been taken by the military authorities, who are experts in the matter; and it would be a very grave responsibility for the Government to take, would it not, to neglect the warning of their expert advisers in military matters?—Oh, I quite admit that; but there are even military experts who take the same view as we do. Colonel Hanna, for instance, has recently written three books, and in them he has said that the Government has made a great mistake in going beyond the frontier.

(*Mr. Caine.*) All that the witness said to you just now he would also mean to convey to the Commission, as the deliberate and unanimous opinion of all the Associations which he says he represents here. Would not that be so?—That is so.

There would be no difference of opinion on questions of frontier policy has expressed by you?—No difference of opinion amongst Indians, the Indian political Associations.

(*Sir William Wedderburn.*) And it is because Indian public opinion regards these expeditions as aggressive rather than as defensive that they object to them so strenuously?—That is so.

(*Mr. Courtney.*) Has any voice been raised by the Indian members of the Legislative Council against them?—Well, they protest occasionally. The non-official members of the Viceregal Council protest against charges; but there is no vote, no division, and it comes to nothing.

(*Sir Andrew Scoble.*) Do you remember any occasion of their entering such a protest?—Oh yes, I remember that two years back the Honourable Mr. Mehta, of the Bombay Presidency, protested very strenuously against these military expenditures.

Which expenditure?—The frontier military expenditure—Chitral, I think.

The Chitral expedition?—Against such expeditions as that; we say they were not necessary, they say they were necessary—and there is an end of the matter.

Then the protest, made two years ago, was made after the expedition was over, and the expenditure had been incurred, was it not?—When I mention Chitral, I mean expeditions like Chitral; the expeditions have been going on latterly rather too fast and I do not remember just now whether it was against Chitral or some other expedition that Mr. Mehta protested.

Surely, if you speak on behalf of these political Associations, and protests were made on their behalf in the Legislative Council, you can tell us what the precise expedition was, and what was the precise protest, can you not?—I should like to refer to the discussion before giving an answer to that.

(*Mr. Naoroji.*) Were there any independent, non-official, partially elected, members at the time of the Afghan War; that is rather a later arrangement?—Yes, that is rather a later arrangement.

And at that time there were none?—No, there were none.

They were all nominated at that time?—Yes.

(*Chairman.*) What defects do you consider to exist in the present arrangements?—The principal defects in the existing arrangements to which, in my humble opinion, these deplorable results are to be traced are two: (1) autocratic financial power practically concentrated in the hands of a member of the Imperial Executive without adequate securities for its due exercise; and (2) the absence of effective protection to India against financial injustice at the hands of the Imperial Government, there being no impartial tribunal left to appeal to for redress of such wrong, and no constitutional power to resist unjust demands.

Now, passing to the Council of the Secretary of State, are there any observations you have to offer to us?—When the Government of India was transferred from the Company to the Crown, the Secretary of State's Council was intended to be a check on him, and guarantees were provided for securing the independence of members. But these guarantees have, nearly all of them, been swept away by the amending Acts of 1868 and 1876. Under the arrangements of 1858 the members of the Council were to hold their office during good behaviour, and were not removable except on an address of both Houses of Parliament. They were thus placed in a position of dignified independence to exercise the important powers of control entrusted to them under the Act. The Act of 1869, however, profoundly modified this position of the Council. It provided that all appointments to the Council were thereafter to be made by the Secretary of State. The members were to hold office for 10 years only, and for special reasons, to be communicated by the Secretary of State to Parliament, they might be reappointed. These modifications at once lowered the position of the members, destroyed the independence of the Council, and virtually left the Secretary of State supreme in the direction of affairs. The Council was, in fact, reduced to the status of a subordinate consultative Board to be composed of the nominees of the Secretary of State, stripped of its original dignity and independence and left unfitted for the proper discharge of its high constitutional functions. The Act of 1876 empowered the Secretary of State to appoint three of the members for life, thus throwing additional power into his hands. The manner in which the Council is recruited is also open to the gravest objection. Nearly all the members are persons who have held high

executive office in India. They cannot, as a rule, be unbiassed judges of the actions of their successors, for the simple reason that in their own time they had in all probability behaved in the same way. There are no representatives of independent Indian public opinion on the Council. Moreover, the machinery of the Secret Department enables the Secretary of State to order a course of action which may practically render large expenditure inevitable, without the knowledge of his Council.

You are criticising the Act of 1869, and you point out that it provided that all appointments to the Council should thereafter be made by the Secretary of State?—Yes.

By whom would you like the appointments to be made?—Well, I do not object to the Secretary of State making the appointments as the Council is now constituted; but the manner in which the Council is recruited is regarded as objectionable for this reason, that the class of men that are selected for it are generally persons who have occupied high executive positions in India.

We will come to that, if you please, afterwards. Just at the present moment I want to get your view as to the method in which the Council should be recruited. Your words would rather imply a criticism upon selection by the Secretary of State, and I wanted to gather how you yourself would prefer to see the nominations to the Council made?—I would wish it made by the Crown.

By the Crown; it would still be by the Secretary of State?—It may come to that ultimately; but there is a greater dignity felt, when the appointment is made by the Crown.

There may be a dignity in it being stated that the Crown makes the appointment; but the Crown can only act upon the advice of the Secretary of State, and, therefore, the result is the same whether the appointment is made by the Crown or by the Secretary of State directly. I want to gather from you whether you acquiesce in the Secretary of State as the person who is to choose the members, or whether you had in your mind any other method of appointment?—No; my point was this, that men who are presumably to control the Secretary of State should occupy a certain position in regard to their appointment; also I consider that there is greater dignity in the appointments if made by the Crown than by the Secretary of State.

(*Chairman.*) That is quite intelligible.

(*Sir Donald Stewart.*) But they are made by the Crown now.

(*Chairman.*) Are they?—No, by the Secretary of State.

Then that confines your criticism really to this, that you would like the appointment of these councillors to be made by the Crown as adding weight and status to their position?—Yes..

But, further than that, you do not contemplate any other method of appointment than by the Secretary of State; in either case the Secretary of State would be the virtual appointer?—I admit that.

(*Mr. Mowbray.*) Or would you mean the Prime Minister by “the Crown”?—If that could be secured, that would be better; I think if the Prime Minister could appoint—if the Crown could appoint on the recommendation of the Prime Minister—that would be better.

Had you that in your mind when you said “the Crown”?—I was not quite clear that the appointments by the Crown were really at the instance of the Secretary of State; I had thought it was at the instance of the Prime Minister, but I took it from the Chairman that they are at the instance of the Secretary of State.

(*Sir Andrew Scoble.*) I understood you to suggest that the alteration of the appointments from “during good behaviour” to a limited period of 10 years was a great objection, in your mind, to the fostering of that spirit of independence, which you would like to see in the Council of the Secretary of State?—Yes, that is so.

(*Chairman.*) You speak as if the Act of 1869 modified the previous practice. Before 1869 do you consider that the members of the Council were nominated in a different manner?—Yes, they were differently appointed. To begin with out of 15 members eight were appointed by the Court of Directors.

(*Sir Donald Stewart.*) Would you read that? (*Handing copy of Act to witness.*)—This is the Act of 1858, but I am speaking of the Act of 1869.

The same form in practice still exists?—Under the first Act the Appointments were to rest with the Crown, but the Act of 1869 provided that they were to be by the Secretary of State. I think Sir James Peile supports me in that, that the present appointments are by the Secretary of State.

(*Chairman.*) But, going back to what I was saying before, was not the old practice applicable to nominations to be exercised once only? The Act, I presume, contemplated that all new nominations would be made as they are made now?—The vacancies among those seven members were to be filled by a sort of co-optation, while all vacancies in the eight members were to be filled by the Crown.

And therefore you look upon it that at the beginning, under the original Act, the idea was that a certain number of the members for all time would be co-opted?—Yes; after the first nomination they would be co-opted.



Should you maintain that the Act of 1869 was a definite change in that respect, inasmuch as it vested the whole of the nominations in the Secretary of State?—Yes, that is what I mean.

(*Mr. Courtney.*) And do you think that that change in itself was one for the worse?—In this way, that the controlling body became more dependent upon the Secretary of State, and lost some part of its first dignity.

It would be no more dependent, when once appointed. A member of Council was as independent of the Secretary of State, after appointment, after 1839 as before?—The Secretary of State has also got the power of re-appointing after 10 years, which was not possible before.

Because formerly a member of Council was appointed for life?—Yes.

Do you think that it was desirable that the original appointments for life should have been maintained?—My own opinion about the Indian Council is that after all it would be an advantage to have short term appointments only; but we are talking at present from the point of view of control, and, so far as that goes, the change was for the worse, because the body became less independent.

You think a member of the Council, looking to the chance of having his tenure prolonged, is more dependent on the Secretary of State?—Well, I would not put it quite so strongly as that; but it makes a change.

In what other respect is there dependence?—If there is no suggestion of dependence in that, why have they made the English Judges independent? They all feel that appointment for life secures better independence.

But, supposing with respect to English Judges the law were altered so as to require them to retire at 70, which many people think would be desirable, would that affect the independence of the English Judges?—That would not; but if any Judge could be re-appointed after he was due to retire, well, that would to some extent have a tendency to affect his independence.

(*Sir Andrew Scoble.*) Have you ever heard it suggested that the prospect of a Judge getting transferred to the Court of Appeal, or to the House of Lords, is considered by some people in England rather to diminish his independence?—Well, I have read of that, but I am not qualified to express an opinion.

You have heard that that argument has been used?—Yes, but I am not qualified to express an opinion upon it.

(*Chairman.*) Then I do not take it that you condemn the principle of only appointing for a period of years in

itself?—That has become inevitable now, I think ; in any subsequent changes that might be made I think that has become inevitable. I would even go so far as to reduce the period from ten to five years, because circumstances are changing so fast in India now that even ten years is too long a period.

(*Mr. Courtney.*) From ten to five years without possibility of prolongation?—Without possibility of prolongation.

(*Chairman* ) Can you tell us whether the members of the Council have often been re-appointed for ten years?—I believe recently there was an example, though in that case we all felt that it was a very proper re-appointment—it was in the case of Sir Donald Stewart. We all felt that it was a very proper re-appointment ; but the power is there ; I do not say that the power has not been properly used, but the very fact that the Constitution gives that power to the Secretary of State shows some weakness in the Constitution ; that is my point.

Well, then, you say that it is an objection to the present system that so many of the persons appointed to the Council have held high office in India, and I understand you to think that that diminishes their power of useful independent criticism?—Well, executive offices I mean.

Yes, high executive offices ; and I suppose what you mean by that is that that diminishes their power of exercising independent criticism?—Their opinions are already formed on the subjects that are likely to come before them, and they do not make quite impartial judges of things that are going on in India.

But, on the other hand, do you think it would be an advantage if the Council of India consisted of people who had no knowledge of India?—In a very short time I believe they might qualify themselves for that. It would not be a very great difficulty ; besides, you might have judges from India. What I object to is persons who have been members of the Viceregal Council. There was a case, for instance, some time back brought to light. General Strachey had advocated the narrow-gauge system in India—in fact he was looked upon as the author of that narrow-gauge system—when the question was before the Supreme Government. The question afterwards came before the Secretary of State. General Strachey himself by that time had come into the Secretary of State's Council, and naturally, being a great expert, his voice prevailed over everybody else's. The same man who was responsible for the introduction of the narrow-gauge system, also ultimately approved of that system. I only want to point out that the opinions of these gentlemen are formed quite definitely, and they are not likely to form very impartial judges ; I mean they are not likely to see the other side.

But a Council constituted like the Council of India would be perfectly alive—as much as you or I would be—to this danger of leaving any officer to determine—what I take to be your meaning—in his own case personally. The Council would be quite as able, I think, as anybody else to discount that danger, would they not?—It depends. When a person is a very strong person he is able to make an impression on his colleagues, and make them see just as he sees.

Of course it is then within the bounds of possibility that such a person might be right, is it not?—Oh, perfectly so; I do not say he was not right; I only say the control is not then properly exercised.

Do you not think in the body of the Council, independent gentlemen—independent of such a person at all events—are quite able to discount, to appreciate this danger which you point out, and to guard against it?—In such technical matters it is an expert, whose opinion carries a great weight naturally.

Not necessarily a predominant weight?—No, not necessarily a predominant weight, but it would almost look like it. I myself should be very much influenced by an expert's opinion.

Naturally?—Naturally.

(*Sir Andrew Scoble.*) But you would not expect a man to give up the honest opinions he had formed during a long period of service in an executive office, simply because he happened to be placed in the Secretary of State's Council?—I do not; I know they would all stick to their opinion. That in itself constitutes a sort of incapacity to see the other side.

If they all stuck to their opinions, would you not get that friction which is so desirable in a body like the Council of the Secretary of State, so as to secure the expression of opinion on both sides?—I do not know how that friction would be secured, because they are all moulded more or less in the same groove and see things in the same manner.

Would it not lead to the conclusion that they were right, if they all agreed?—The Government of India or the Secretary of State in Council would have to be regarded as infallible if we were to argue like that.

(*Sir William Wedderburn.*) In that case of the adoption of the narrow-gauge system, there was very nearly universal public opinion, European and Native, against it in India?—That is how I understand it to have been.

(*Sir Andrew Scoble.*) That was not the case, because there was a great division of opinion upon that question of the gauge. But there was a very important opinion on the other side.

There was a very important body of opinion, as I recollect, on both sides?—Of course, since General Strachey was able to carry his point, it must have been that he was strongly supported.

I feel bound to say that I was a strong supporter of the broad-gauge system myself. I know there was a very great and important and valuable body of opinion on the other side?—I am pointing out what struck me as the defects in the constitution itself; though, sometimes, the defects might exist, yet the constitution might work better; but that does not mean that the defects themselves are not to be found fault with.

(*Chairman.*) Dealing with that question of the constitution of the Council, I would like to learn a little more fully from you whether you do not see a risk in a Council composed of people who have had no experience of India?—If judges, for instance, were put on the Council, they would bring a general knowledge of India to the discharge of their duties; and I have such faith in an Englishman's sense of duty, that I believe that in a short time they would qualify themselves for the work, and they would be more impartial men.

And would the Council that you think it would be advisable to form, consist altogether of Indian judges?—I only gave an example; there might be non-official leading Anglo-Indians upon it, and they might also appoint some men on the recommendation of the Legislative Council, of the representative members of the Legislative Council.

You do not mean that you would put on the Council, Englishmen who had never been in India?—I would put some of them also, because they would be able to see things from a different standpoint; even now, I believe there is some provision like that.

(*Sir Andrew Scoble.*) There are some?—There are some even now.

There is an Indian judge on the Secretary of State's Council, is there not? Sir Charles Turner, lately Chief Justice of Madras?—I would strengthen the judicial element, and reduce, if not altogether abolish, the executive.

(*Chairman.*) Do you not think there is a great advantage in the Secretary of State having at hand men who have held very high executive office in India, who are able to give him the benefit of their experience?—The real Government of India is in India, and ought to be in India. So far as general questions are concerned, it is only when questions are referred to the Secretary of State that the Secretary of State has to take cognizance of them; and I believe that, if judges and such other persons as I have mentioned qualified themselves properly for the discharge of their duty, they would assist the Secretary of State quite as well as the present executive members.

In your definition of the position of the Secretary of State, you observe there are very important questions that would be referred to the Secretary of State?—Yes, sometimes.

And you do not think it desirable that he should have at hand officers who know something of the circumstances under which the questions have arisen, and who are able to advise him from their knowledge of Indian opinion and of Indian tradition; you would leave him on those points to form his unaided judgment? I grant you that you have spoken of Indian judges being present; but the Indian judges, I understand, have not got the administrative experience that many of the present members of the Council have?—That is true; but under the present system it comes to this, that men who are responsible for things in India, themselves in course of time come to be members; and they, therefore, cannot be expected to condemn what they themselves have done before.

(*Sir William Wedderburn.*) You attach more importance to impartiality than to special knowledge of the subject?—I do.

Because the matters that come up before the Secretary of State are generally in the nature of an appeal against some action of the Executive in India?—Yes.

And you do not wish those who have been the authors of these executive acts to come and sit afterwards in appeal upon those acts?—That is precisely my view.

(*Mr. Courtney.*) I should like, before you conclude this part of your subject, to get some definite idea from you as to how you would wish this Council of the Secretary of State to be constituted; how many members would you like to have?—They have at present reduced the number to, I think, 10 members, and it might very well so remain. Each of them might hold office for five years or so—I would not put the thing quite definitely—only say five years or so.

Wait a moment; five years or so? Are you clear about that?—Well, I think so.

Do you think 10 years too long?—Well, I think it is rather too long; that is my view.

Next you would like to have them appointed nominally by the Crown?—By the Crown.

The appointment by the Secretary of State means the same thing?—If it comes to the same thing, well, there is no help; but there would be a greater dignity in the position.

You would have none appointed by any other authority than the Crown?—Well, the ultimate appointment should be by the Crown; some of the members should be appointed on the recommendation of the members of the Indian Legislative Council.

Of the representative members of the Supreme Legislative Council, I suppose, in India?—Yes, that is what I mean, the Supreme Council; but it all depends on how many members you give.

Suppose you take the allotment of three as you suggest?—Well, the representative members of the Supreme Legislative Council might nominate them.

Might nominate three?—Might nominate three.

(*Sir Andrew Scoble.*) “By the representative members” do you mean the non-official members generally, or only a certain class of non-official members?—The non-official members who are appointed on the recommendation of certain bodies.

Not those who are nominated by the Viceroy?—No, because that means Government nomination pure and simple.

Then how many members of the Viceroy’s Council are there who fulfil that condition that you have named?—I believe there are seven or eight now.

Eight; and you would allow those eight to elect three members to the Secretary of State’s Council?—But each member has behind him another electorate.

I did not ask you whom they represent; but you would allow these eight members to appoint three members of the Secretary of State’s Council?—Well, I would, because there is no other machinery that represents India as these eight members do.

(*Mr. Courtney.*) It would not work out in your scheme that the eight would appoint three straight away? I mean, when it came into full operation, there would be a vacancy every two years or something of that kind?—It would be that.

You would have an appointment made by the eight members of this year, and the eight who would appoint two years hence might or might not be the same and partly different, and so on?—Yes.

That would amount to three out of the ten. Would you allow the Crown to have any vote on that nomination?—Oh, of course, the Crown must have the power of veto on that nomination.

The recommendation would be accepted, or not, by the Crown?—Yes.

You would expect it to be accepted as a rule?—That is what I mean.

With reference to the other seven, do you lay down any restriction as to the classes from which they would be chosen?—I did not expect to be asked to place before the Commission a definite scheme, but I should think that there should be three Indian judges; that is how it strikes me now; about three members might be Indian judges.

Three ex-judges out of seven?—Three ex-judges. Yes. Then if the members are ten there should be two Englishmen who have never been out to India, and two other persons who have been in India; they might belong to the Executive, or the

might not belong to the Executive. I would not absolutely shut executive officers out.

You would reduce the representation of the Executive machinery of India to very modest dimensions?—That is because I feel our grievance is against them—not against any of the individual members, but against the system which makes them the judges of their own acts.

You say you are not expected to answer these questions, but, as far as the Government at home is concerned, it seems as if in your mind the efficiency of the control depended upon the composition of this Council?—Yes.

Therefore it is very important to have some idea—not a rigid one, but some idea—of the way in which you would like that Council to be constituted?—As a matter of fact, I do not expect that this Council would be modified in any way, or, at any rate, that there would be much modification in the constitution of this Council; but I have proposed a committee afterwards which would be a more effective committee of control; I attach more importance to that.

Who should be in London?—Who should be in London.

(*Sir Donald Stewart.*) Lord Welby, the witness is right in saying that the appointments to the Council here are made by the Secretary of State, but the Secretary of State's appointments are as heretofore, submitted to Her Majesty for approval before they are published; that is the procedure, I believe.

(*Chairman.*) But the appointment does not actually state that it is made by the Queen?—Under the Act it is made by the Secretary of State; the names are submitted to Her Majesty for ratification.

(*Mr. Mowbray.*) Is that under the original Act?

(*Chairman.*) No; that is under the Act of 1869. Now then, perhaps, we will pass on to the point of the Government of India and the Finance Member?—Subject to the control of the Secretary of State, which often is only nominal, the Government of India can administer the Indian revenues practically as they please.

Would you let me just interrupt you there. I have some difficulty in reconciling that statement with what you have just told us; when speaking of the Secretary of State, you said the administration of the Indian revenues is now practically entrusted to a Cabinet Minister, assisted by a Council of his own nomination—a Minister who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics; that all financial power in regard to expenditure—executive, directive and controlling—is centred in his hands, and that with all this vast concentrated power, he has really no

responsibility except to the Cabinet of which he is a member, and of whose support he is always assured, and to Parliament where he has a safe majority behind him. I have some difficulty in reconciling that with your statement when you say "subject to the control of a Secretary of State, which is often only nominal"?—What I meant there was that that was the theory of the subject, and that in regard to any general questions of policy which involve large expenditure, the voice of the Secretary of State prevails; but, subject to that, in all ordinary matters the Government of India is practically able to count upon the assent of the Secretary of State. As a rule the Secretary of State adopts the views of the Government of India.

Then ought not your first statement to be made with some qualification, because it leaves us under the idea that the Secretary of State has the power of an autocrat in the matter of finance?—But the Constitution gives him that power, and how the Constitution is worked must depend upon the circumstances. I am now dealing with the actual working of the Constitution, but the Constitution gives, in the first place, those vast powers to him.

But should you not rather have stated it with that qualification, because I think anybody reading what you have stated to us would be under the impression that I think these are your own words—the sole autocrat in Indian finance is the Secretary of State. Now it appears from this that you qualify this considerably in practice?—I would qualify my former statement by saying that under the Constitution he is so.

Would you go on?—The testimony of Sir Auckland Colvin and Sir D. Barbour on this point is of great importance. Sir A. Colvin was careful to point out that the present weakness of the Finance Member's position dates virtually from 1885. That being so, it is evident that the dissent of Lord Cromer, as also of Lords Northbrook and Ripon, from his and Sir D. Barbour's view is beside the point. It is true that Lord Lansdowne and Lord Roberts also do not endorse the view of the two Finance Members. But this was only to be expected, seeing that they themselves are the party against whom the complaint is directed. When Sir A. Colvin and Sir D. Barbour say that with the Viceroy on his side the Finance Member is as strong as he ought to be; and when they complain of the weakness of his position during their time, the only inference to be drawn from that is that the Viceroy's under whom they served viz., Lords Dufferin and Lansdowne, were not of an economical turn of mind; and, of course, we cannot except Lord Lansdowne to concur in that view.

But, if it is the case that there has been a change of policy since 1885, it is quite possible that that change may have been necessary, is it not?—That view may be held on the other side; it is open to them of course to say that.



I mean, is it patent on the face of it that the Viceroy must have been wrong and the Finance Member right?—But I am expressing what is the non-official view of the matter; the official view of course, we know, is that it was necessary.

But, official view or non-official view, it does not really matter. It is sufficient to say that, when the Finance Member differs from the Viceroy necessarily the Viceroy must be wrong?—Oh, I do not say that; but the presumption is that the Finance Member, being a member of the Executive Council, would not oppose a thing, if it were really necessary, merely on financial grounds. I would be disposed to attach something of extra importance to the opinion of the Finance Member.

That is attaching a very great weight, is it not, to the superiority of financial knowledge in the Council?—But that is because he occupies a unique position; he knows what the executive needs are, and he knows also what the country can afford. The other members think rather of the needs, as they take them to be, than of the finances.

Then how would you sum up the question?—The whole position may be thus summed up: (1) The buffer of the Company's Government which fairly protected Indian interests is gone, and there is no effectual substitute; (2) We have no effective constitutional safeguards against the misapplication of our revenues to extra-Indian requirements; (3) The control vested in the Council of the Secretary of State under the Statute of 1858 is rendered almost nugatory by the alteration of its status under recent amending Acts. The mode of recruiting the Council is also radically faulty; (4) The control of Parliament, as against the Secretary of State, has become entirely nominal, owing to the latter being a member of the Imperial Executive, with a standing majority behind him. The old periodical inquiry by Parliament and its jealous watchfulness are gone. In fact, we have at present all the disadvantages of Parliamentary Government without its advantages. In the case of all departments except the Indian, ex-Ministers think it their duty and also feel it to be their interest to exercise the closest watch on the proceedings of their successors with a view to passing the most adverse criticism that may be possible. In regard to India alone, ex-Ministers vie with and sometimes even go beyond their successors in extolling all that exists and all that is done. The responsible opposition in this country that abdicates its functions in the case of India only.

When you speak of the old inquiry by Parliament, I presume you refer to the inquiry which took place at intervals of 20 years into the constitution of the Company?—Yes, at the time of renewing the Charter.

And you think that that was a valuable method of inquiry, which brought the whole question of the Government of India before Parliament?—Yes.

But since the abolition of the Company in 1858, have there not been a great number of inquiries by Parliament into different branches of Indian expenditure—especially finance?—Yes, there have been; notably the Fawcett Committee, which came 20 years after 1853, and then this Commission, which comes 20 years after that; I know that, but there is such a great amount of trouble in getting these committees, and of course there is no constitutional safeguard that they will be readily granted.

The difference that you speak of lies in this, that, under the Charter of the old East India Company, these inquiries necessarily took place at the end of certain periods; under the present system you may have inquiries, probably equally valuable inquiries, but you have no security as to when, and under what circumstances they will take place; is that it?—That is so, and there is another point also. In those days inquiries were made into the whole administration, while now generally certain points are specified. For instance, this Commission can inquire into expenditure, and not into revenue; there is that difference also.

There is another way of looking at that; if you appoint a Commission to inquire into everything connected with the administration, you generally find that from mere want of time it is obliged to slur over a good deal of its work. Do you not think there is a good deal to be said for appointing a Commission with a definite and more or less limited object; is it not more likely to get satisfactory results?—I quite admit the force of what your Lordship says, but there is this much on the other side, that the people could lay all their grievances before such a Commission, if it was a general one; and the fact that Parliament ordered these general inquiries before shows that they were alive to the importance of that consideration.

(*Sir William Wedderburn.*) And was it not a great point in those inquiries that the renewal of the Charter depended upon the Company showing that they had done good work?—Yes, that was so.

And that, previous to the inquiry, the Government of India was very anxious to put its house in order in every department?—I believe it was.

So that there was not so very much to find fault with by the time they came and asked for a renewal of their power?—I should presume that was so.

But now the officials know they have a permanent position, and they do not care much about public opinion in India?—Yes.

(*Chairman.*) You have drawn a distinction between the action of ex-Ministers when dealing with Home affairs and

with Indian affairs, saying, with regard to India, that ex-Ministers vie with, and sometimes even go beyond their successors, in extolling what is done. May I ask, do the facts really bear that out? If we take the case of the cotton duties, I think we heard ex-Ministers extremely critical upon the conduct of Ministers who were responsible for the cotton duties?—But, my Lord, there was this distinguishing circumstance: The Government of India and the Secretary of State were not in agreement, and, therefore, those that were connected with the Government of India before, naturally took the side of the Government of India; but in connexion with the recent debate, for instance, on Sir William Wedderburn's motion, Lord George Hamilton was not, if I may say so, quite able to put the case about famine insurance from the official side as strongly as Sir Henry Fowler did—well, in no other department do ex-Secretaries come to the rescue of the Secretary of State quite in that fashion; that is what I mean.

You make your statement rather sweetening, in drawing this distinction between the action of ex-Ministers in regard to English and in regard to Indian affairs. I have no doubt such a case as that you have mentioned could be adduced; but, on the other hand, I point out to you that Ministers received very severe criticism in Parliament on account of the cotton duties; and I might give you an instance on the other hand: there was a severe criticism on the actual Ministers in respect to the Dongola expedition—I am not saying in the least whether they were right or wrong?—It again comes under that category which I have mentioned, namely, when there is a difference between the Government of India and the Secretary of State.

I do not see the connexion between that case and that of which we are speaking. All I say is, that there is no kind of conspiracy of conduct between Ministers and ex-Ministers in regard to Indian affairs?—I do not say there is any conspiracy.

That is my own word?—But there is no interest felt practically by the ex-Minister in criticising the proceedings of his successor. In regard to the English Budget, for instance, item by item there is a furious contest; whereas the Indian Budget is all passed or discussed in a few hours with empty benches, nobody feeling the slightest interest in the matter.

(*Sir William Wedderburn.*) But in the case of the cotton duties, to which the Chairman referred, I do not think Sir Henry Fowler proposed to take any action in the case until the end of the Session, when it was all settled and too late?—That was so.

And I do not think that he gave any assistance whatever, but rather was opposed to the motion with regard to the cotton duties which was made in the course of the session?—Yes; my

point was that in the other departments ex-Ministers have a direct interest in discrediting the work—if I may use such a very strong expression—of their successors, showing up to the country practically that its affairs are not administered quite so well as they were by themselves. In regard to India there is no such motive

(*Chairman.*) My outside experience leads me to believe that ex-Ministers are quite as ready to criticise their opponents in the Government in regard to India as in regard to any other matter?—I thought it was a sort of official etiquette not generally to oppose Ministers in regard to Indian matters.

To resume:—The Government of India, as at present constituted, cannot be much interested in economy. Almost all internal administration having been made over to the Provincial Governments under the decentralization scheme, questions of foreign policy, large public works and military questions absorb almost the whole attention of the Government of India. Further, the Finance Member excepted, every other member of Council, including, since 1885, the Viceroy, has a direct interest in the increase of expenditure.

Well, in all Governments there are heads of departments, who are interested in expenditure; that is not a peculiarity of the Indian Government?—But in India they are not afraid of the tax-payers, whereas in England they are afraid of the tax-payers, the control of the House of Commons being so effective.

It has been represented to us that, though they are not afraid of the tax-payers, at the same time heads of departments are aware that extravagant expenditure will necessitate increase of taxation, and they are aware that that is a serious matter?—Yes, but in England they have also to face a formidable opposition in order to pass their measure, whereas in the case of India there is no such thing.

Neither in England nor in India is there the salutary check of public opinion on the financial administration. Parliament is ill-informed and even indifferent. And the Supreme and Provincial Legislative Councils are simply powerless to control expenditure, since the Budgets have not to be passed, and no resolutions in reference to them can be moved. Coming to the question of remedies, I think it is, in the first place, absolutely necessary that the Indian Budget should be passed item by item in the Viceregal Legislative Council. Government may retain their standing majority as at present, and that means an absolute guarantee that no adverse vote will ever be carried against them. We have no wish to see the Government of India defeated on any point in the Supreme Legislative Council, but the moral effect of recording and, so to say, focussing by means of divisions non-official disapproval of certain items of expenditure will, I expect, be very great. It must be remembered that, while large questions of

policy can be discussed and settled with advantage only in this country, the details of Indian expenditure can be criticised effectively and with the necessary amount of knowledge only in India. I would also provide that, when a certain proportion of the non-official members of the Supreme Legislative Council, say more than half, are of opinion that the voting of a particular sum by the Council is prejudicial to Indian interests, they may, if they please, draw up a statement of their case and submit it through the Government of India to a Committee of Control which, I venture to suggest, should be created in this country. The creation of such a Committee of Control is a matter of the most vital importance. A Standing Committee of the House of Commons has been suggested, and would, I think, do very well.

You think a Committee of the House of Commons would do very well, although it belongs to a body that you have described as ill-informed, and even indifferent to Indian affairs?—But when certain members are specifically appointed to undertake a specific duty, I do expect that they will qualify themselves for that duty; or the Judicial Committee of the Privy Council might be entrusted with the work; or even the Arbitration Committee which now seems likely to be created might do for this purpose. And the duty of reporting to Parliament from time to time on matters of Indian finance might be assigned to it. But whatever the form, the Committee should have absolutely no powers of initiating expenditure, else, like the old so-called Board of Control, it will do more harm than good. The Committee should take cognizance of all appeals addressed to it by the non-official members of the Viceroy's Council, and might also call for papers of its own accord, and exercise general control over the administration of Indian expenditure. The proceedings should be reported to Parliament from time to time. If some such body were called into existence, the mere fact that non-official members will be in a position to appeal to it, thereby putting the Government of India and the Secretary of State on their defence, will have a tremendous moral effect, which will make for economy and sound finance in a very striking manner. There is nothing in this which will in any way affect the directive and executive powers of the Secretary of State or the Government of India. The plan provides only for a reasonable amount of control and will enable the representatives of Indian tax-payers, who have no powers of controlling expenditure, to make a complaint in a responsible and constitutional manner.

You say that there is nothing in this plan that will in any way affect the directive and executive powers of the Secretary of State or the Government of India; but you are vesting in the non-official members of the Supreme Legislative Council a power of appeal to an outside body, which should on that appeal criticise, and report to Parliament on the acts of the Executive.

Now, without saying whether that would contribute to good government or not, it would be a very considerable interference with the executive power of the Secretary of State, would it not?—It would be this way: the Secretary of State or the Government of India might sanction a certain expenditure. This body might ultimately pronounce that the expenditure was not proper. The expenditure would have been incurred already; there would be no help so far, but it would have its effect afterwards.

Yes; but still, that power of a committee to report hostilely on the Secretary of State's action must be held to affect the executive power of the Secretary of State. It is an interference, surely, with the method in which the Secretary of State exercises his duties? It would be a sort of control, and that would be necessary; but I do not see how it would be interference with his administrative work.

The Government would have an outside committee reporting upon their acts. It is very true it might not prevent the Secretary of State from giving an order, but it would be a very serious check upon him, which is no doubt what you seek. So far as it exercises that check upon him, it is an interference with his powers, do you not think so?—But your Lordship has already dwelt on the great importance of the effect of the independent audit. Now, arguing as you are now doing, might it not be said that that audit is an interference with the work of these Ministers? The audit would point out any irregularity, and that would be a sort of—

The independent audit merely reports whether the expenditure is in accordance with the law, or with Government orders, which are equivalent to law. In this case, as I understand it, the non-official members are to criticise the policy, and this Committee of Control is to report to Parliament on the policy of the Secretary of State. That is not the same thing as seeing whether the expenditure is legal or not?—The Committee would not veto the action of the Secretary of State or of the Government of India, but they would only report to Parliament.

(*Sir James Peile.*) Would they take evidence?—Yes.

And put the Government of India on its defence?—The Government of India would draw up a statement and send it up to that Committee; and, if the members wanted any more information they might call for it; but we must really have some control of policy of that kind.

Thirdly, I would next suggest that, as a rule, the Council of the Secretary of State should be recruited from persons unconnected with the Indian Executive, and that a reasonable proportion be appointed on the recommendation of the representative members of the Indian Legislative Council.

(*Chairman.*) Is that the Council you are speaking of now?—No, it is the Secretary of State's Council. I do not disturb the Council very much.

Fourthly, I would suggest that section 55 of the Government of India Act of 1858 be amended. This section, as it stands at present, enacts that "except for preventing or repelling actual invasion of Her Majesty's Indian possessions, or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defray the expenses of any military operation carried on beyond the external possessions of such frontiers by Her Majesty's forces charged upon such revenues." Now, this only safeguards the controlling powers of Parliament, and does not provide, as is commonly believed, against the diversion of our moneys from their legitimate use, the only thing secured being that the sanction of Parliament shall be obtained for such diversion. No doubt this is good, as far as it goes, but it is not sufficient, and I would press for an express and absolute statutory provision, giving us a complete guarantee against the misappropriation of our revenues for purposes unconnected with our interests. I therefore beg to suggest that section 55 of the Government of India Act of 1858 be so amended as to provide that, except in case of actual or threatened invasion, the revenues of India shall not be used for military operations beyond the natural frontiers of India, unless, at any rate, a reasonable share of such expenditure is put on the English estimates. I would further suggest that the frontiers of India should be definitely declared by statute, and should not be liable to extension without statutory amendment.

Then your proposal would be that these frontiers having been defined, under no circumstances should India contribute towards any operations outside those frontiers unless a part of such expenditure is put on the English estimates. For instance, supposing it was a question of maintaining the independence of the Suez Canal—that is beyond the frontiers of India—I take it your law would not prevent the Government of India from contributing to the operations necessary for that purpose, provided always that the English Government took a share?—It would come to that.

Fifthly, I would urge that the elected members of the Legislative Councils of Madras, Bombay, Bengal, North-Western Provinces, and now Punjab and Burmah, be invested with the power of returning to the Imperial Parliament one member for each province. Six men in a House of 670 would introduce no disturbing factor, while the House would be in a position to ascertain Indian public opinion on the various questions coming up before it in a constitutional manner. I may mention that the small French and Portuguese settlements in India already enjoy a similar privilege. Here, again, I rely more upon the

moral effect of the course proposed than upon any actual results likely to be directly achieved. Though only six in number, the Indian members, acting unanimously on any Indian question, would adequately represent the state of Indian public opinion on the subject, and Government would have to take note of that. Indian representatives in Parliament would further greatly strengthen British rule in India by giving the Indian people a tangible and gratifying proof of India being really considered a part and parcel of a great and free empire.

You say truly that six men in a House of 670 would introduce no disturbing factor. Do you contemplate that these Indian members should have full voting powers; in fact, that they should vote our taxes?—Yes, I think so.

You see no objection from that point of view?—I see no objection.

Of course, if you had such members representing Indian interests, it would open the door to more interference on the part of Parliament with Indian affairs?—But these men by themselves would not do anything unless they were able to induce others to share their own views; that means something important, I think.

(*Sir Donald Stewart.*) How would you secure unanimity of opinion between the six?—I do not secure it. If they were unanimous on any Indian question, that would mean that public opinion in India was strong upon that point.

(*Mr. Courtney.*) Your proposal is that each one of the six should be elected by a separate electorate?—Yes. There are the Legislative Councils in the six provinces already elected by the people; and the members of the Legislative Councils should elect a member each.

(*Mr. Moubray.*) Might those be either people sent from India or people in England?—Any people; I would impose no restriction.

With regard to the Portuguese settlements that you spoke of, are the elected members Portuguese residents in India who are sent over to Portugal?—I do not think there is any restriction; they can send whom they please; they must be men in their confidence, that is all.

(*Mr. Courtney.*) The French have representatives of all their colonies in the Legislative Assembly?—The colonies of England are self-governed, therefore they do not want representation in the Imperial Government. We are the only dependency without any representative government, therefore we must be provided for either here or there.

Not quite the only dependency; Ceylon may be much smaller, but Ceylon is a case?—But Ceylon is very nearly a self-governing colony. Ceylon has its Council, which is much more representative than our Council; it is nearly a self-governing colony.



(*Chairman.*) Your proposal is not for direct election of those members whom you would send to the Imperial Parliament; they are to be chosen indirectly, as it were, by a college, namely, the members who have been already elected to serve in the Legislative Councils?—Yes, that would be so. The great advantage that we would then secure is this: At present, private members take up the cause of India, but the officials come down upon them, and say, "These are only self-constituted members for India"; these six Indian members will be men who are really representative of India; and, if they are unanimous, that will be of great moral strength to us.

Have you any suggestions that you would like to make with respect to the Viceroy?—Yes, there is one. The last suggestion that I have to make on this subject is that, as far as possible, Indian Viceroys should be selected from among men who have earned a distinct position for themselves for their grasp of intricate problems of finance. Among the first Ministers of England, no greater names can be mentioned than those of Walpole, Pitt, Peel, Disraeli, and Gladstone; and all these men were great Finance Ministers. I know that men in the very front rank of English politics do not care to go to India, but all the same, if men noted for their knowledge of finance were induced to accept the Viceroyalty of India, the arrangement would produce decidedly beneficial results. It would be a great advantage to all if the Viceroy, instead of being his own Minister for Foreign Affairs, were to be his own Finance Minister. At any rate, his immediate connexion with the Foreign Department should cease, the department being placed, like other departments, in charge of a separate member of the Executive Council.

Do you mean by your suggestion that no one should be selected for the post of Viceroy who has not been Chancellor of the Exchequer?—Oh, I do not mean that, because no Chancellor of the Exchequer would care to go to India.

Well, I put the case very broadly in that way, because you said that the persons should be chosen among men who have earned for themselves a distinct position for their grasp of intricate problems of Finance; I wanted, therefore, to see the class of men to whom you would restrict the field of choice?—I believe that in the debates in the House of Commons some men specially distinguish themselves in the discussions about Finance; or there might be persons who have been connected for a long time with the Financial Department; it is so difficult to say definitely.

What you mean is such a member as the late Mr. Fawcett was?—Oh yes, the late Mr. Fawcett would have done very well.

That is the class of man you mean?—That would be a very proper name.

(*Mr. Courtney.*) But there would be no tangible test of qualities in such a man as that?—The test would be that the man would be willing to take the Financial Portfolio when he goes to India, so that, unless he really liked finance, he would not do that.

(*Chairman.*) Would not that be open to very much the same objection which, I understand, you advanced against the present practice in which the Viceroy is his own Foreign Secretary? As I understand your objection, it is that the Viceroy should not be Minister of any special Department, and therefore you object to his being the Foreign Secretary. Might not objection be taken equally well to his being Finance Member?—He should not be Minister of any spending department, that is what I mean; otherwise, he is directly interested in spending.

Might there not be a certain risk in making the Viceroy a specialist in this way?—Important as most of us think finance to be, a man who had only an eye to finance might make in government grievous mistakes, might he not?—Sir Robert Peel and Mr. Gladstone made extremely able Prime Ministers of England, and they were both Chancellor of the Exchequer and Prime Minister at one time; Mr. Gladstone was at one time both Chancellor of the Exchequer and Prime Minister, and so was Sir Robert Peel also.

But the Viceroy, of course, is the head of the executive Government; and objection has been taken here to the Prime Minister taking a particular branch of administration into his own hands, as a question of principle. Sir Robert Peel was only Chancellor of the Exchequer for a few months in 1834; but, of course, you are perfectly justified in quoting his case, as he was Prime Minister and Chancellor of the Exchequer at the same time. Now we come to the subject of provincial finance?—I now come to the very interesting and important subject of Provincial Finance. While gratefully acknowledging that the decentralization policy has done a great deal of good, even as far as it has gone, I think the time has come when an important further step ought to be taken. It is now 15 years since this policy was carried to the point at which it now stands by the Government of Lord Ripon. The fact that nearly the whole internal administration of the country is in the hands of the Provincial Governments explains why the people of India are so anxious to see the position of Provincial Governments in the matter of finance strengthened much more than it is at present. The expenditure administered by the Provincial Governments is principally devoted to objects which are intimately connected with the well-being of the people, and the larger, therefore, this expenditure,

the better for them. The chief defects of the existing arrangements are the following:—The “so-called Provincial Contracts,” to use Sir James Westland’s expression, are really only one-sided arrangements practically forced on the weak Provincial Governments by the Government of India, which is all-powerful in the matter. The contracting parties not being on a footing of equality, the Government of India virtually gives the Provincial Governments such terms as secure the maximum advantage to itself; and the power which it possesses of disturbing the contracts even during the period of their currency leaves the Provincial Governments in a state of helplessness and insecurity, and all this is very prejudicial to the interests of the internal administration of the country. A reference to the tables, given on pages 47 and 48 of the Appendix to Section I of the evidence recorded by this Commission, will at once show how at each successive revision the Government of India, while keeping to itself all the growth of revenue which had accrued to it as its share of the normal expansion, has, in addition, resumed a large portion of the share of growth that had accrued to the Provincial Governments, compelling them thereby to cut down their expenditure in the first year or two of each new contract. Thus, taking Bombay as an illustration, we find that in 1886-7, the last year of the Contract of 1882, its expenditure was Rs. 3,998,912. This expenditure had, however, to be reduced to Rs. 3,814,500 in 1887-8, the first year of the next contract, and it was not till 1891-2 that the level of 1886-87 was again reached, when, at the next revision, it was again put back. The same was the case with almost every other province. How sore is the feeling of Provincial Governments on this subject may best be seen from the following remarks, which the Lieutenant-Governor of Bengal thought it his duty to make on the matter in the Supreme Legislative Council last year:—“I must say I deprecate the way in which these quinquennial revisions have “too frequently been carried out. The provincial sheep is “summarily thrown on its back, close clipped and shorn of its “wool, and turned out to shiver till its fleece grows again. “The normal history of a provincial contract is this—two years “of screwing and saving and postponement of works, two years “of resumed energy on a normal scale, and one year of dissipation of balances, in the fear that, if not spent, they will “be annexed by the Supreme Government, directly or “indirectly, at the time of revision. Now all this is “wrong, not to say, demoralizing. I say the Supreme “Government ought not to shear too closely each quinquennium. It is as much interested in the continuity of work as the “Provincial Governments, and ought to endeavour to secure “this and avoid extreme *bouleversements* of the provincial finances. . . . It would be an immense gain to local administrations if the Government of India could see its way to

"renewing the contracts with as little change as practicable on each occasion. It is only in this way that the element of fiscal certainty which was put forward in 1870 as one of the main objects of decentralization, can be secured. Hitherto we have had but little of certainty." A similar protest was made last year by the Lieutenant-Governor of the North-West Provinces from his place in the Legislative Council of that Province; and this year the Government of Madras has addressed a very strong remonstrance against the surrender of an additional 2½ lakhs of rupees a year demanded by the Supreme Government.

You say that the Supreme Government is in a position to secure on revision of the contract the maximum advantage to itself, and you have given us the instance of Bombay; but could you give us any general figures on the point?—Yes, I have taken out figures in connexion with the progress of expenditure.

Could you make use of them to explain your view to us?—The present contracts are on the basis on which they were made by Lord Ripon's Government in 1882-3. Since then there have been two more revisions. It is interesting to note how the growth of net expenditure has been divided between Imperial and Provincial since 1882, when provincial finance was placed on its present basis. Putting together Tables 1 and 21 of Sir H. Waterfield, we have the following result:—

Year.	Total Net.	Provincial Net.	Imperial Net.
	In crores of rupees.	In crores of rupees.	In crores of rupees.
1882-83	41·79	10 98	30·81
1883-84	41·66	10·83	30·83
1884-85	41·90	11·62	30·28
1885-86	45·43	12·27	33· 6
1886-87	44·55	12·12	32·43
1887-88	47·37	12·35	35·02
1888-89	46·44	12·52	33·92
1889-90	47·34	13·10	34·24
1890-91	45·66	12·64	33 02
1891-92	49·50	13·60	35·90
1892-93	52·43	13·40	39·03
1893-94	51·87	13·33	38·54
1894-95	52·74	13·13	39·61
Increase in 1894-95 over 1882-83	10·95	2·15	8·80

You might give us three years (not to give us the whole mass of figures), 1882-3, 1889-90, and 1894-5; I think that that would exemplify your contention?—I would put it in this way: 1886-7 was the last year of Lord Ripon's provincial contract; the provincial expenditure in that year amounted to Rx. 12·12, and this expenditure was 13·13 in 1894-5. There has been altogether an increase in those 13 years of Rx. 2,000,000; out of that more than one-half was in the first four years.

You say the provincial net expenditure was 2·12, and in the last year 13·13?—Yes, therefore it is less than one million, but the total is 2·15.

From the beginning?—Therefore, I mean that during the first four years the increase was more than one half of the total increase.

Let us put it in this way; in your first year 1882-83, the provincial net expenditure was 10·98, that is very nearly Rx. 11,000,000, is it not?—Yes.

In 1894-5 it was 13·13?—Yes.

Showing a difference upon that whole period of 2·15?—Yes.

But now I want you to show the effect of these new contracts by showing what has happened to the Imperial Government?—Yes. If your Lordship will allow me, I will read five or six lines I have written in explanation of this table:—It will be seen that, while the expenditure on the internal administration of the country has been allowed to increase in 13 years by only a little over two crores of rupees, the expenditure administered by the Government of India has increased during the time by nearly 9 crores. It may also be added that, during the three years of Lord Ripon's viceroyalty which belong to this period, the net Imperial expenditure was not only not increasing, but actually showed a tendency to decrease.

On the other hand, more than half the increase in provincial expenditure took place in the first four years, *i.e.*, during the currency of the provincial contracts made by Lord Ripon's Government. Your Lordship will see that the provincial expenditure for 1885-6 is 12·27; the next year it is 12·12; and then your Lordship might come to 1891-2, when it is 13·60, then there is 13·40 again; it is put back at each revision, while the Imperial expenditure, on the other hand, has been going higher up.

You point out that over the whole period the provincial expenditure has risen by 2·15 on about 11?—Yes.

While the Imperial net expenditure has risen by very nearly 9 on 30. Is the difference in percentage between those two

very great?—Well, I fear it is not quite right to put it in that way.

In rough figures the Imperial expenditure is a little more than three to one of the provincial?—Yes, at the starting.

Multiply 2·15 by 3 and you would be getting on for 7?—6·45.

While the increase in the Imperial was very nearly 9?—Yes, nearly 9.

Therefore you see by those figures that the Imperial net expenditure has increased at a greater rate than the provincial net expenditure?—Yes.

Your Imperial net expenditure is on a limited number of services, I suppose, is it not? You exclude debt, do you not?—The debt, of course, belongs to the Government of India; the Provincial Governments have nothing to do with debt.

But how do you make up your Rx. 30,000,000? What services make up the 30·81 in 1882-3?—Sir Henry Waterfield has given all that in his evidence. You have the Army, for instance, in the first place; then there are certain services which are directly under the Government of India, and there are railways, the deficit on railways; there are some irrigation works also which are still under the direct control of the Government of India; then the home remittances; all these come under the Government of India, whereas the administration of each province is entrusted to the Provincial Government.

But you see the total net expenditure on these services is only, in the last year of your figures, 52·74?—Yes.

And, of course, there is a very large sum beyond that to make up the budget of Indian expenditure. What is the difference, because what you call the Imperial net expenditure does not represent the whole of the expenditure of the Indian empire?—No. I have taken the figures given by Sir Henry Waterfield, 52·74 is given net, but he excludes cost of collection; that is a matter of difference between him and us. Then there are about 25 crores on railway account, that is also eliminated, and then, I think, though the nominal budget is for 96 crores the net budget is practically 52·74, according to Sir Henry Waterfield's way of putting it, or about 60 crores according to our view, including the charges of collection. Excluding the charges of collection, and all those other things, it stands at 52·74.

And those are Sir Henry Waterfield's figures?—Those are Sir Henry Waterfield's figures; I have said that.

Do you out of those figures prove, or consider that you could prove, that the Imperial Government has taken more than its fair share of the increase of these provincial revenues?—Oh, yes, much more than a fair share; if the contracts had

continued as they had gone on before, then the Imperial share would have been less, because Sir Henry Waterfield himself gives in the Tables 47 and 48 how much was resumed each time from the Provincial Governments by the Imperial Government. I can give all those figures, if your Lordship pleases.

I do not quite see that the Imperial net expenditure proves that, because part of the Imperial net expenditure might have been derived from an increase of the revenues reserved to the Imperial Government?—No, but the facts are here. I will just read them out to your Lordship; I did not put them separately in, because they are all contained in Sir Henry Waterfield's own statement that so much was resumed each time. Here they are. First contract (1870), gain to Imperial Treasury '33. The second contract, in 1877, gain to Imperial Treasury, Rx. '40 million.

'40 is Rx 400,000 you may say, putting it very roughly?—It would mean Rx. 400,000 roughly. The third contract was in Lord Ripon's time, 1882-3, when he took nothing from the Provincial Governments. The fourth contract was in Lord Dufferin's time, when the Supreme Government took '64 million Rx. in addition to what was legitimately the increase of the Government of India. In Lord Lansdowne's time, 1892-3, they took again '46 million Rx. from the Provincial Governments. These are apart from the contributions occasionally demanded; they are separate.

And you would hold that each of these percentages is so much taken, in addition to the Imperial Government's share of normal increase, out of that proportion which at first, it was thought, might fairly be given to the Provincial Governments?—Yes, it was that.

And do you make a total out of these?—It would be 1½ millions, or more accurately, 1,800,000 l.; it would be like that—all these revisions.

Rx. 1,800,000?—Yes, altogether.

And that is the sum that you contend the Imperial Government has taken away from the provincial revenue, which would better have been left in the pockets of the Provincial Governments?—Yes, that is what I think. If your Lordship will look at this table given on pages 47 and 48, of Sir Henry Waterfield's published evidence—he gives here the tables of the provincial contracts, the different provincial contracts—it will be seen that in the last year of each provincial contract the expenditure of the Provincial Governments is much larger; the first year of the new contract the expenditure has to be reduced, because the Imperial Government takes away a large portion.

If that extra sum were left in the pockets of the Provincial Governments it would increase by that amount, would it not,

this Rx. 13·13 millions which appears against the year 1894-95 in the table?—Yes, it would.

And, if you took that sum off the Imperial net expenditure and added it to the provincial net expenditure, the position would be reserved, and the provincial net expenditure would have increased at a greater rate than the imperial net?—No, it would not quite come to that.

Just put the figures for yourself?—There is Rx. 13·13 millions.

And adding Rx. 1,800,000?—But Rx. 1,800,000 is from the beginning, from 1870, taking the first contract.

Taking the year 1870?—For the purposes of my table, we must add these last two figures only.

It will quite suffice; you have given us Rx. 1,800,000 as your figure?—That includes also the resumptions of 1870 and 1877, since the first original contract was made. Beginning with 1882-83, there were only two resumptions, one by Lord Dufferin and one by Lord Lansdowne; they come to Rx. 1,100,000 millions, '64 and '46; those are the only two.

That is, 1·1?—Yes.

Add it to 13·13 you get 14·23?—14·23.

Take 1·1 off 39·61 and you get 38·51?—38·51.

The comparison would be 14·23 against 38·51?—Yes. Then it would be like this; it would be a little over 3, on the left side, the net provincial (I deduct 10·98 from 14·23); then that would give 3·25 as the provincial increase. On the other side I take away 1·1 from 39·61, that would mean 38·51, and from that I take 30·81; that leaves 7·70.

Therefore, you say, if that were done, the proportion would be reduced very much?—Well, slightly; not very much.

But it would be reduced?—Yes; but it should be remembered that the level of the expenditure, the Imperial level and the provincial level, are not based on any proportion; there are certain revenues that go exclusively to the Government of India.

That was why I wanted to draw your attention to this table, because it seemed to me that you could not really compare the two services, the provincial net and the imperial net; different causes were acting upon them?—But, where they actually resume provincial revenues, that constitutes—

Confining yourself to the Rx. 1,800,000, which, in your opinion, ought to have gone to the Provincial Governments; if that had been done, would it not have necessitated increase of taxation in order to meet these Imperial charges?—As your Lordship has brought out in one of the questions recorded in the evidence, when there is a special reserve available, then the expenditure has a tendency to increase; but when Government has to face the unpopularity of imposing extra taxation, it would think twice before it



increased expenditure. Meanwhile, if the money had gone to the Provincial Governments, education, police reform, separation of judicial and executive functions, these very necessary reforms would have been carried out.

Carrying out that argument, would you reduce the Imperial revenue to *nil*, in order that the Imperial expenditure might be correspondingly reduced?—Oh, certainly not, but there is ample provision already; they have already secured to them a certain portion of the normal increase.

That is rather an assumption, is it not? Supposing that competent authority—I do not say they are right—thought that this increase of expenditure was necessary, it would have involved increase of taxation?—That only means that we have to say nothing against what the Government of India may do. It comes to that ultimately. I would only say this, that the Provincial Governments are as much interested in the good governments of the country as the Imperial Government. They are certainly not irresponsible, as some of us are called—these Governors and Lieutenant-Governors—and when they say, “You should not take so much from us,” that means something.

Did you not say that the heads of Departments did not care for finance, but only cared for the efficiency of their Departments? Does not the same thing apply to the Provincial Governments, and will not their tendency be to look simply to the efficiency of their own Government, with a certain carelessness as to what the Finance Member might in the end have to do in the way of increasing taxation?—All English officers think of the safety of India first, and second to that, they think of the success of their own administration. Besides, this tendency of which your Lordship has spoken in itself does not deserve to be condemned; it depends on what the department is in regard to which it is exercised. If the Provincial Governments want to increase their expenditure, we think that is perfectly legitimate; when the Imperial spending departments, military and others, want to increase their expenditure, we feel we must protest—that is all.

Therefore, if the Judicial Department wanted to increase its expenditure, they must necessarily be extravagant; but if the Provincial Government want to improve a service, that necessarily is economical?—But the Judicial Department is under the Provincial Government.

Take an Imperial Service then?—The Army.

The Army is struck off; give me another instance?—The railways.

Whatever is imposed by the Imperial Government by way of increase of expenditure on railways must be extravagant; but whatever is proposed by the Provincial Government must be

economical?—I do not quite say that; but the Provincial Governments deal directly with matters which are properly connected with the enlightenment and progress of the people. And our Indian people's view, at all events, is that we are more interested in Provincial than we are in Imperial expenditure. Of course, this is our criticism of what the Government have been doing; the Government must certainly be able to allege reasons on the other side, else they would not have done it.

But each department is interested in its own efficiency, and has the same tendency to, I will not call it extravagance, but to free expenditure, which perhaps the general finances will not bear; and there is the same tendency on the part of the Provincial Government as there is on the part of the Imperial Government?—That is true; but if the Educational Department, for instance, wanted to increase its expenditure, I would welcome that tendency; if the Military Department wanted to increase its expenditure, I should be very jealous and should protest.

But, on the whole, your plea is one for additional expenditure?—Yes. The Provincial Governments must increase their expenditure very much.

And, in consequence, have additional taxation? You would give this 1,800,000 l. over to the Provincial Governments to spend?—Yes, I would.

You have got no means of showing that the Imperial net expenditure could be reduced by that sum; would that be possible?—That might be possible.

But you have got no means of showing so? If that is not possible, then the whole expenditure of India would be increased by 1,800,000 l. Your plea, therefore, in that case would be for an increase of expenditure, and, inasmuch as it is only about in equilibrium at the present moment, that would be a plea for increase of taxation; must not that be the result?—I have faith in the Government's fear to face the unpopularity of increased taxation, and they will reduce their expenditure, I think.

Now will you pass on to some further remarks upon the principle upon which these contracts are based?—I have pointed out one defect of the provincial contracts, namely, that they are one-sided arrangements forced upon the weak Provincial Governments by the powerful Imperial Government. Secondly, there is no fixed or intelligible principle on which these contracts are based, no uniformity in their plan, no equality in the burdens which they impose on the different provinces. The share of Imperial expenditure which the different provinces have to bear is not determined by any tests of population or revenue. A calculation, made by Sir James Westland and printed on page 400 of the second volume of the Finance Committee's report, gives the following results:—

The proportions or percentages of revenue surrendered by each province to the Supreme Government are as follows :—

	Per cent.
India Districts (General) ... ..	26
Central Provinces .. ..	56
Burma ... ..	58
Assam ... ..	51
Bengal ... ..	68
North-West Provinces ... ..	76
Punjab ... ..	45
Madras ... ..	52
Bombay ... ..	46

The contribution of each province per 100 of the population is as follows :—

Province.	Rupees contributed per 100 of Population.
Central Provinces ... ..	71
Burma ... ..	312
Assam ... ..	97
Bengal ... ..	107
North-West Provinces ... ..	177
Punjab ... ..	82
Madras ... ..	123
Bombay ... ..	155

These figures are sufficient to show the totally arbitrary character of the present contracts. The fact is that these inequalities are a legacy from the pre-decentralization period, when the expenditure of the different provinces was determined, as men like Sir Charles Trevelyan, Sir John Strachey, General Chesney and others have put it, not by the resources or requirements of those provinces, but by the attention that their Governments succeeded in securing from the Central Government, *i.e.*, by the clamour that they made. And when the first step was taken in 1870 in the matter of decentralization, the level of expenditure that had been reached in the different provinces was taken as the basis on which the contracts were made, and the inequalities that then existed were, so to say, stereotyped. I think it is high time that an effort should be made gradually to rectify these inequalities.

Then your criticism in this matter is, not so much that there should be one uniform percentage levied on the provinces,

as that the present division is a purely arbitrary one; that it is not based upon the ascertained requirements of the provinces, or their claims upon the central Government for special consideration, but that it is a hand-to-mouth arrangement, based upon a state of things which existed before the new provincial system was introduced?—That is so, and also this, that the burdens ought to be more fairly distributed. It is very hard on certain provinces—for instance, Madras is very hardly treated; we are better off in Bombay, but the North-West Provinces are very badly treated also. And there is another point, Government has now added Burma. This new province required a large outlay to begin with; that burden has to be shared by all the other provinces without any principle, so, if there was any limit like that, the burden would be thrown equally upon all.

The proportion of revenue surrendered by Burma to the Supreme Government was rather a high one—58 per cent.—That was Lower Burma. This was written in 1886 by Sir James Westland when he had the accounts of 1884 before him; Upper Burma was not annexed at that time.

But even at that time is it not the case that Lower Burma was an expensive province to the Imperial Government?—Lower Burma was not.

Not at that time?—And there is another peculiarity. Burma is very thinly populated, so that the number of rupees contributed per 100 of population is 312; and, if your Lordship will look at the proportion of revenue surrendered by Burma, it will be found to be 58 per cent., or more than one-half.

That is the figure I have before me. Your contention would be, therefore, that the contribution required by the Imperial Government was excessive in Burma?—Yes, in Lower Burma; I am not referring to Upper Burma, which was annexed in 1886.

No, I quite understand. Now, take another of these provinces, and perhaps you would apply the same reasoning to that—any one you like?—Say the North-West Provinces. They are called upon to contribute 76 per cent. of the revenue to the Imperial Government, and Bengal is called upon to contribute 68 per cent.

Now, has the Imperial Government to contribute very largely in return to the North-West Provinces?—I do not think so. They do not contribute to any of the provinces.

And you base upon that your contention that the rate of contribution is entirely arbitrary in each case?—That is what I say. It is, moreover, the official view itself. Sir James Westland, who is now Finance Member, himself constructed these tables.

But you are not in any way arguing for a rigid 50 per cent. to be levied, we will say, from all the provinces?—That should

be the ideal that we should keep before ourselves, and it should be gradually reached; that is what I mean. I will explain how that could be reached afterwards; in fact, Sir Charles Elliott's proposals aim at that.

Perhaps you will proceed?—The third defect of the existing schemes is that, while it operates as a check on the growth of provincial expenditure, it imposes no similar restraint upon the spending propensities of the Government of India. The only way in which these defects could be remedied was clearly pointed out by four members of Lord Dufferin's Finance Committee. They were the President, Sir Charles Elliot, late Lieutenant-Governor of Bengal, Sir W. W. Hunter, Mr. Justice Cunningham, and Mr. Justice Ranade. In a note which they submitted to the Government of India on the subject, they made the following four proposals, and urged that their adoption would be attended by very beneficial results:—(1) That there be no divided departments, but that those departments of receipts and expenditure which are now wholly or almost wholly Imperial, or which it may be found convenient to make Imperial, should be set on one side for Imperial purposes, and that the receipts and expenditure of the provincialised departments should be entirely provincial. (2) That whatever the sum be by which the Imperial expenditure exceeds the income from those sources of revenue which are not provincialised, that sum should be declared the first charge on the Provincial revenues. So this provides fully for the interests of the Government of India.

But would not the result be very much the same as it is now?—No, it is not so. The scheme, in the first place, secures greater fixity to the Provincial Governments.

Do you propose to show that to us afterwards?—Yes. (3) That the provincial surplus which arises from the excess of receipts over expenditure should be the fund from which, in the first place, all Imperial necessities should be met before any increase can take place in provincial expenditure. (4) And that as regards the future growth of revenue, it should, as far as possible, be divided equally between Provincial and Imperial, subject to the condition that if the Imperial exigencies ever required a larger share, the Imperial share should be increased. Taking the accounts of 1884-85, Sir Charles Elliott and the other members thus illustrated the working of their scheme: They proposed that opium, salt, customs, tributes, post-office, telegraph, mint, interest on debt, superannuation receipts and charges, the East Indian, Eastern Bengal, Guaranteed and Southern Mahratta Railways, Military Works, Army, exchange and home charges, should be wholly Imperial, and that the Government of India should also bear the charges and receive the revenues of the Imperial districts, *i.e.*, the parts of India which are not included in the provinces. On

the other hand, they proposed that land revenue, stamps, excise, assessed taxes, forests, registration, and the civil departments should be wholly Provincial, such heads as stationery, printing, miscellaneous, and railways, canals, and other public works as were already Provincial continuing to remain so. The accounts of 1884-85, excluding Provincial rates, were as follows :—

	(In Thousands of Rupees or Hundreds of Rx.)		
	Imperial.	Provincial.	Total.
Revenue ...	503,569	175,537	679,106
Expenditure ...	505,066	174,854	679,920

These accounts, on the basis of readjustment suggested above, would have stood thus :—

	(In Thousands of Rupees or Hundreds of Rx.)		
	Revenue.	Expenditure.	Surplus or Deficit.
Imperial ...	326,799	505,365	178,566
Provincial ...	354,307	176,559	177,748

Your Lordship will notice that Rx. 35,000,000 is the revenue at the disposal of the Provincial Governments, out of which Rx. 17,000,000 they spend for themselves, and the rest they hand over to the Imperial Government. This means that on the basis of division proposed, the provinces would have to pay about 17¼ crores, i.e., about 50 per cent. of the revenues made over to them to the Imperial Government to enable the revenue of the latter to come up to its expenditure. This scheme, if adopted, would have the following advantages over the existing arrangements :—

(a) It would remove all irritation at present felt by the Provincial Governments and secure to them, under ordinary circumstances, half the normal growth of revenues in their

provinces, enabling them thereby to make steady efforts towards the progressive improvement of the internal administration of the country.

(b) It is, of course, not possible to secure *at once* a complete equality in the burdens which the Imperial expenditure imposes upon the different provinces. Provinces that contribute less than half their revenue to the Imperial Exchequer, cannot be suddenly called upon to reduce their own expenditure and pay their full share with a view to reducing the share of those that at present contribute more than half. Existing facts after all must be respected and the present level of expenditure in the different provinces must be left untouched. But the effect of contributing to the Imperial Exchequer an equal portion of all future increase in revenue (*viz.*, 50 per cent.), will be that year by year the relation which the contribution of a province bears to its revenue will tend more and more towards equalization. Thus the provinces which now pay, say, 60 per cent., of their revenue will, after paying only 50 per cent. of their increase for some years, be found to have dropped down to a ratio of 58 or 57 per cent. And similarly in the provinces which pay less than 50 per cent. at present, the ratio will constantly work itself up to 50 per cent. The proposed scheme, while making ample provision for the necessities of the Central Government, imposes at the same time something like a check on its spending propensities. It secures to that Government the entire normal growth of the imperialised items of revenue and also half that of the provincialised items, and leaves to it besides the power to demand more than half in times of sore need. But it is expected that in ordinary years more than half the normal growth of provincial revenues will not be devoted to non-provincial purposes. The adoption of the scheme will place the financial system of India once for all on a sound basis and will bring it more in a line with the federal system of finance in other countries, such as Germany, Switzerland, and even Canada and the United States. In these countries, so far as I have been able to gather, the central and constituent governments have their separate resources, but the latter are called upon in Germany and Switzerland to make special contributions on extraordinary occasions. There is one safeguard which I would add to the foregoing scheme and which, I think, is very important. It is this, that the Government of India should have no power of claiming for itself a higher proportion of the provincial increase than 50 per cent., except in those extreme cases described by Lord Ripon's Government as dire necessities, and that, whenever in the opinion of the Government of India those extreme cases arise, a formal declaration of the grounds on which such opinion is based should be drawn up and sent to the Secretary of State to be placed by him before Parliament. Moreover, the increase should

not be allowed without the sanction of the Secretary of State, so that the Provincial Governments, if they wanted to protest against it, would have an opportunity of doing so. I am confident that the Provincial Governments in India will welcome such a settlement of the question. Before concluding this portion of my evidence, I may be permitted to remark that it would have been a matter of general advantage if representatives of Provincial Governments had come here to give evidence on this subject before the Commission.

I have a question to ask you on the proposal you make; but first of all, could you explain what you mean by expressing the wish that representatives of Provincial Governments should come here? Do you mean by that that witnesses from the Bombay and Madras Governments should have been invited to come over to give evidence?—On this particular subject of provincial finance.

Your criticism upon what the Commission have done is that they have restricted themselves to hearing the evidence of people who represent the Central Government?—Yes. I do not criticise what the Commission have done. I only say that it would have been well if the Central Government in India had asked the Provincial Governments to send representatives to give evidence.

I quite understand. You say that, if the suggestion which you have explained to us were carried out, it would remove all irritation at present felt by the Provincial Governments; but do you not think that there would be a certain feeling of irritation in the Provincial Governments if you not only doubled their income—which you would do if you increased it from 17½ millions to 35—but immediately afterwards took part of that away from them to give to the Imperial Government?—I do not think so.

Do you not think that there would be a little irritation?—No, there would be no irritation. They would know, of course, that they have to provide for the Imperial Government, as at present, but the great advantage of that scheme would be that 50 per cent. would definitely belong to the Provincial Governments and 50 per cent. would be all that would be taken away.

You give the analogy of Germany. Have you never heard that in Germany there is a very great deal of irritation felt over what I think they call the *matricular* contribution; the tendency of the Empire is to increase that *matricular* contribution, and—I am only speaking of what I have read—that increase does not tend to make the relations between the subordinate Governments and the Supreme Government more pleasant?—It is very much to be wished that exactly the same state of things should reproduce itself in the Government of India so far as the relations of the Provincial and Supreme Governments are concerned. There would then be some guarantee that there would be some check



on the tendencies of the Imperial Government; at present it has things all its own way.

I do not see where the check on the Imperial Government would be, if the Imperial Government at the end of the time said: "We have spent so much, hand it over"?—No, it would not be that; the contract would be there. If at the end of the year they were able to show that some dire necessity had arisen, they would come first of all to the Secretary of State; that is what I have provided. The Provincial Governments would then put forward their views, and the Secretary of State's sanction would be necessary: and the whole matter would ultimately come before Parliament. That is all that can be done at present. I wish more could be done, but it does not seem feasible.

We will say at the present moment that the expenditure of this test year is 50 millions; you take that as the existing expenditure?—Of 1884-5.

I am taking it for that year?—Yes.

And the revenue which the Imperial Government enjoyed in that year was a sum slightly less than that?—Yes.

Under the reform which you have brought before us 17½ millions of those revenues would be taken away from the Imperial Government?—Yes.

But they would be handed over to the Provincial Governments simply to get taken again?—But there would be this advantage, the departments would once for all be classed as Provincial and Imperial, so that the Budgets may be separate, everything may be separate, and there need not be this complication which is inevitable at present. The present theory is a very defective theory; all the revenues belong to the Government of India; they are only nominally received by the Provincial Governments in trust for the Government of India, and then the Imperial Government hands over to the Provincial Government so much. Under my scheme there would be a complete division of resources.

Now we will confine ourselves to the advantage of distinctness of account. We will say that, instead of the Provincial Government levying taxes on behalf of the Imperial Government, they would levy these taxes on their own behalf; but, as soon as they had done that, they would immediately have to give over in this particular year this very large sum to the Imperial Government. It seems to me to leave matters very much where they were before, and up to this point you have provided no check upon the Imperial Government. From what you have told us I think you see your way to providing a check; I think you told us that, as far as the growing revenue was concerned, not more than 50 per cent. was to be taken by the Imperial Government; is that the safeguard upon which you rely against extravagance on the part of the Imperial Government?—One of the safeguards.

What were the others?—The other is that, if the Government of India wanted more, then it must draw up a declaration to come before the Secretary of State, and the declaration must go before Parliament. Of course, necessities must be provided for, but there would be this, that they would not care to submit themselves to all this, unless the occasion were really an urgent one.

But, in the meantime, the expenditure is going on, and the Imperial Government finds it necessary to incur expenditure; how would it incur it, when one-third of its revenue was taken away?—But there are large balances which the Government of India has; surely extraordinary expenditure might be met out of them, and it has powers of borrowing also.

We are told that these balances are only carefully adjusted to the present necessities, and, if you made further demands upon it, the Government would have to have bigger balances. When an extraordinary occasion arises, they must draw on their balances?—As a matter of fact, there are no stringent limits about their balances; sometimes they drop down to 12 crores, sometimes they amount to 23, and so on.

It has been put before us by the responsible officers that the balances, as they at present stand, are not, on the average and in the main, excessive for the present needs?—Yes.

But, if the Imperial Government, carrying on its expenditure, cannot draw upon the Provincial Governments until the Provincial Governments have made an appeal home, and the Secretary of State has heard both sides and sanctioned the transfer of the sum, it appears to me that the Central Government must have very largely increased balances out of which to provide in the meantime?—But how much does it take at a time from the Provincial Governments? Not much, after all, whenever it demands these contributions; it took, for instance, at one time less than a million, and at another time less than a million.

But, in this case, your proposal takes away at once one-third of the revenue of the Imperial Government?—Yes.

(*Mr. Courtney.*) That is only, as I understand it, when the arrangement is first made; after you have made your arrangement for allocation of revenues, and your distribution of accruing revenue and surplus, the whole machinery would be automatic?—Yes.

And that is your best guarantee; there would be an automatic revenue received by the provincial administration, and an automatic share given to the Central Government?—Yes, that is what I mean.

And so, if after three or four years a crisis arose in which the Central Government was pinched, it would have to make a

solemn declaration of the special circumstances of its situation, which should be forwarded to the Secretary of State, who would then sanction an indent upon the provincial revenues?—Yes, exactly; my case has been very fairly put; that is exactly what I mean. The only thing that I would add to that, is that, whenever the Government of India resumes an additional portion of the surplus of the Provincial Governments, the portion does not come at once; it is only a small dribble at the beginning, but it secures that portion to itself permanently. So it is not of much immediate importance in the case of a real emergency which wants a large expenditure at once. If the emergency was not a pressing one, but if the Government of India wished to increase its expenditure permanently, there would be time for them to go to the Secretary of State and get his sanction.

(*Sir James Peile.*) A deficit in the Imperial Budget would always be an emergency such as you would look to?—No, I do not think so.

Why?—They may meet a deficit out of their own resources, out of the balances for the first year; they do not keep the balances at a specified level; there have been many years where they have reduced the balances, and the next year, when they have better revenues, they make them up.

(*Mr. Courtney.*) Your hope would be that, with this chasm lying before them, they would always pull up in time?—Yes, that is what I mean.

(*Sir James Peile.*) But, if they did not meet a deficit out of the balances, they would have to meet it by extra taxation, would they not?—Yes, they have that power also of extra taxation, and I would not touch their power in that respect.

(*Chairman.*) But you are only going to allow the Imperial Government, under any circumstances, 50 per cent. of the increase of the proceeds of taxation?—Yes, 50 per cent. of the provincial revenues, in addition to the whole 100 per cent. of its own revenues.

The whole of its own, yes; but only 50 per cent. of the increase of the provincial, and, therefore, to that extent you increase the powers of the Provincial Governments to spend?—Yes,

That being the case, it is very probable, is it not, that the Imperial Government would find itself short?—I do not think so. In the year taken by Sir Charles Elliott it required 50 per cent. of the provincial revenues to make up its Budget; last year also in the Supreme Legislative Council this same point was pressed by a non-official member, and on that occasion he divided the Budget in the same manner as this. Last year the Budget was, say, 96 millions; out of that 48 were Imperial and 48 Provincial according to this scheme. Well, out of that 48 the Provincial

Governments spent 24, and contributed 24 to the Imperial Treasury, so that the scheme would automatically work like that. The Imperial Budget would be the Imperial receipts, *plus* contribution from the Provincial Governments; the Provincial Budget would be so much revenue, *minus* so much contribution to the Imperial Government.

What you want really to do is, is it not, to secure to the Provincial Governments of India what you think is a fairly sufficient revenue with which the Imperial Government could not meddle?—That is my object.

And, in order to get that end, you would not mind leaving the Imperial Government to the necessity of imposing extra taxation, which otherwise might be avoided?—Well, they avoid it at present by starving the most useful things: I do not approve of that; they starve education, and all that.

But it is necessary that we should understand whether you do not shrink from extra taxation in order to secure to the Provincial Governments that revenue?—I do not shrink from that, because I know that the Government would not care for that unpopularity, and that the taxable resources are nearly exhausted now in India.

Now we come to the progress of expenditure, and, perhaps, you would give us your views upon that subject?—Yes. Our expenditure shows a large and continuous growth since the transfer of the Government of India from the Company to the Crown, and recent changes in the frontier policy have accelerated its pace in an alarming manner. Excluding railway receipts, the average expenditure for the five years preceding the Mutiny was about thirty crores. It now stands at over 73 crores, nearly  $2\frac{1}{2}$  times what it was before the Mutiny. Increase of expenditure taken by itself as a feature of national finance, is not necessarily open to any serious objection. Everything depends in this matter on the nature of the purposes for which the increase has been incurred, and the results produced by such outlay of public money. In the United Kingdom, in France, in Italy—in fact, almost everywhere in Europe—there have been large increases in national expenditure during the last 30 years; but the increase in Indian expenditure during this time differs from the increases elsewhere in a most fundamental respect. While increased expenditure in other countries under proper popular control has, so far as we are able to judge, helped to bring increased strength and security to the nations and increased enlightenment and prosperity to the people, our continually growing expenditure has, in our opinion, under autocratic management, defective constitutional control, and the inherent defects of alien domination, only helped to bring about a constantly increasing exploitation of our resources, retarded our material progress, weakened our natural defences, and burdened us with undefined and indefinite financial liabilities.

May I stop you there for a moment and ask you what you mean by "increasing exploitation of our resources has retarded our material progress"?—Yes. What I mean thereby is this: The resources of our Empire are really vast; but the great difficulty in India is about capital, and we are unable at present to take advantage of these resources ourselves, but our hope is that in course of time we might be better able to spend money in that direction, and then we should be able to utilise our resources for ourselves. At present, owing to the vigorous manner in which railways are constructed, and the way in which foreign capitalists are encouraged to invest their money in India, the result is that we get only the wages of labour, while all the profits that are made there are taken out of the country and our resources are being utilised by others.

Then you would prefer to have gone without the railways all the time?—Your idea of improving the material prosperity of India would have been to have adopted none of these improvements such as railroads, which most people think tend to develop a country?—Well, I am not quite so sweeping in my assertion. I do not mean that the railways themselves are to be condemned—all the railways—but the manner in which the Government are going in for more and more railways, starving more useful things, is an objection; and this has resulted in the exploitation of our resources by the indigo, tea, coffee, and other planters. The policy of free trade has, moreover, been forced upon us too early, thereby destroying all our important industries that existed before, and throwing all the people on the precarious resource of agriculture.

Do you consider it a great drawback in the development of Indian resources that a great tea trade has been established, which has gone very far to put India in the place that China formerly occupied as supplying England with tea?—So far that would be an advantage, but the profits go to Europeans; and if we were able to accumulate capital the—

But, if this capital had not come from this country, this new industry would not have been developed?—That is so.

It is quite open, at the present moment, to Indians to use their large resources, if there are large resources, in cultivating this tea; but apparently they do not do it?—We have very little capital to invest in these industries.

And, therefore, no improvement would take place and at the present day you would be cultivating as you were 50 or 100 years ago, because you have not got capital. In such a case is it not an advantage to a country to be able to borrow capital, and borrow it cheaply, in another country, in order to help the development of its resources?—But, if I had a vast property myself, I would rather allow that property to remain as it is, with the consciousness that I may make full use of it when I have the means, rather than allow somebody else to come and

use it and give me only a pittance, the outsider getting all the rest; it is *my* property.

I only want to understand your view. You would have had no railways; you would not have had very good roads, I think; and none of these trades would have been developed. Do you think that that would have been for the benefit of India?—I did not say that there should have been no railroads at all; but my complaint is about the manner—

I think you say in one part of the paper which you have given me, that you think that at the present moment railroads ought only to be executed out of surplus revenue; that is to say, that India should make her own railroads?—Yes.

It is another form of saying it?—Yes.

And that principle you would have applied from Lord Dalhousie's time forward?—No, I should not have done that. I think we must be up to the times after all; and the main trunk lines would have been constructed.

Therefore, it is only a question of difference of degree; the main policy was right, and the main policy was a benefit to India, inasmuch as it introduced these improvements which have been adopted by every other country under the sun; and, on the whole, you would not have liked India to have been left entirely without a share in these improvements? Your difference of opinion with the Indian Government is that they had been pushed too far?—That is one; and I look at the motive power which sets in motion the whole machinery. No Viceroy goes out to India, but a body of merchants waits upon him in England and says, "You must do something for railroads," and so on; there is a feeling in India that these railroads are mainly undertaken in the interests of the English commercial classes. We have got the main trunk lines; we would rather go without the others.

What I understand is, that the foreign English capital should have made the main trunk lines, and nothing more should have been done, unless out of surplus revenue. I think you have rather minimised the surplus revenue; that amounted to very little, in your opinion, did it not; at the present moment the surplus revenue is not very much?—Yes.

And, therefore, you would be practically putting an end to all railroad expenditure at the present moment?—They might make economies and have a larger margin; if they are really anxious for these railways, they might make economies and have a larger margin, and devote that margin to railways if they please.

(*Sir William Wedderburn.*) They need not have expeditions to Chitral?—They might very well dispense with those; that is what we think.

(*Chairman.*) This, of course, is a perfectly fair argument to put forward; but it is always accompanied by the argument on

the other side that competent people thought these things necessary?—That is so; but in the House of Commons the members who criticise are not military experts themselves, and yet they do not feel themselves debarred from criticising.

Will you tell us how the making of railroads has retarded your material progress, because you say “that the increasing exploitation of our resources had retarded our material progress”—Well, this free trade policy that has been thrust on the country has killed all our industries. No colony has accepted this policy. The result is that our people are growing poorer and poorer, because they are all thrust back on agriculture. Sir James Caird, in his report, says that there are so many idlers now connected with land; I believe half the number would do the agricultural work; and the other half are kept on land because they have nothing else to do; and the result is so much labour is practically idle there; and the old industries that we had are swept away under the competition of steam and machinery; so that has retarded our progress.

Then the opening of fresh trades must have the opposite effect, must it not?—But that is very little; we get only wages there, and everything else goes out.

Quite so; but you speak of the people not having anything else to do except being on the land, the consequence being that too large a population, as I understand, are being employed on the land. Any new trade opened must find larger employment for the people, and, therefore, be beneficial?—Your Lordship should take both parts of my scheme, namely, protection coupled with that. Then, of course, our other industries also would remain; and the result of it would be that our unemployed would find work there. After all, it is the ideas that mould these activities; and our contact with the West has given us the necessary ideas.

I want to keep to the question I was putting to you, namely, there are too many people on the land; opening of fresh trades, and thereby finding fresh employment, must tend to relieve that glut, must it not?—That is true, so far as it goes.

And, therefore, when you get within 50 years an enormous new trade like the making of railways—I think I am right in calling it enormous—there is a tendency in that direction, is there not?—Economically I must admit that it has a tendency in that direction; but I do not approve. —

I am only taking that as an instance; and any development of Indian resources, that gives employment to labour, has a tendency to relieve this glut, has it not?—Yes; but those men were already employed before; not these exactly, but those who represented them in the old days.

But you have just told us that there are too many on the land now?—Yes, because our industries have been killed by free trade.

And when other industries are opened up, those new industries tend, so far as employment is concerned, to redress the balance?—That is true; but you should never have forced free trade upon us and killed our old industries.

Then your remedy is protection?—Yes. India needs protection very badly; that is my view.

Then it comes to that, that your remedy is protection?—Well, yes; though the evil has already been done.

Is the feeling that protection is necessary universal throughout India?—So far as I know that is the general feeling. We are like the colonies in that respect.

(*Mr. Naoroji.*) What is the reason they were not able to take up these industries, such as tea or any of these industries, or any of these enterprises which the foreigners came and took possession of; is it not because our capital is carried away from the country?—Yes, that is so.

Is not that at the root of the whole thing?—Yes; it is at the root of the whole thing.

If that were not so, and we were able to preserve what we produce, we should be able to welcome the foreigners to do what they liked, and we should be able to compete on equal grounds with them?—Yes, exactly.

Otherwise, we are reduced to mere labourers, hewers of wood and drawers of water; whereas now, of the profits of all these new improvements and trades and manufactures introduced into the country nothing remains; those profits are all taken away by somebody else?—Yes.

Because we ourselves cannot devote our money or our capital to the subject; is not that so?—That is so; I would give one illustration which would make my meaning clear. It is like a house in which there is only one person, and that is a paralytic, and there are a number of good things in the house. The person himself can take no advantage of those good things; but other people come in, throw a pittance to him and take away all those things; it is almost like that.

(*Chairman.*) Take them away! But they buy them?—Well, they say they buy them.

There is a price given for them?—But only a very inadequate price.

Take the case of a railroad; that costs money to make, does it not?—Yes, it does.

That money has been supplied from here?—Yes.

Is not that buying? Is not that a case of buying a portion of the receipts of the railroad back again? If England sends over 500,000 *l.* worth of rails which are laid down, for the moment that costs India nothing. England buys a certain share of the proceeds of this industrial undertaking by providing these rails; is not that an exchange between the two countries? That is not taking the things out of the Indian's house without paying



for them?—I do not say without paying: you throw a pittance to us in the shape of wages; the profits are all taken clean out.

Is it not the case that the whole work has been done, or the great part of it has been done, by goods which Englishmen have brought and sent over?—Yes.

Plant?—Yes.

And in all fairness has not the return been a perfectly fair bargain between the two countries?—But they are our resources; why should English capital alone find its investment there?

But there is nothing to prevent your resources being employed, only you say you have not got them?—The natural resources are our own, the land is our own, everything is our own.

At all events you could subscribe to these railroads and find the capital for them, but you do not?—We have no capital.

As far as I understand, the English Government would be only too glad if you would pour out your accumulated wealth to buy these railroads, but you will not?—There is not much accumulated wealth.

(*Mr. Naoraji.*) Is it not the case that we cannot buy them because our capital is taken away by somebody else?—Yes, what would otherwise be our capital.

We have not the capital to pour out, otherwise we would be only too willing to devote it, and leave the foreigners also to come in with their capital?—Yes; if what the nation might have saved in normal circumstances had remained in the country, we might have been much better able to take advantage of those resources.

(*Chairman.*) I think we had better pass on?—Compelled to meet the demands of a forward Imperial frontier policy and the exigencies of consequent Imperial defence, and constantly borrowing for commercial enterprises, often undertaken in consequence of the pressure of English commercial classes, our Indian Government has little money to spare with all its increase of taxation, for purposes of national education. Nor has it been able, amidst constant embarrassments of the military budget, to forego some prospective land revenue by granting the boon of a permanent settlement to provinces ripe, and more than ripe, for the concession under the conditions laid down in Sir Charles Wood's and Sir Stafford Northcote's despatches (1862 and 1867), nor again has it found itself during all these years in a position to carry out pressing administrative reforms like the reforms of the police, and the separation of judicial and executive functions. It is this feature that marks the difference between the growing expenditure of British India and that of other countries, and constitutes our national grievance in respect of the administration of our national expenditure. Whereas the capacity of the country to bear increased burdens is growing perceptibly less, our expenditure, under the

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existing conditions of administration, is rising higher and higher necessitating a heavy incidence of taxation, exhausting all our fiscal reserves, and, what is still more alarming, thrusting on our hands expanding responsibilities.

Are you prepared to prove that the capacity of the country to bear increased burdens is growing perceptibly less?—I think so. These famines—this present famine, for instance, and the suffering that it is causing—are good evidence on the point. The people now go down at the first touch of famine.

But when you say that the capacity of the country to bear increased burdens is growing perceptibly less, I think, on the whole, the evidence placed before us has shown that, apart from increase of taxation, revenue has grown. You say that it is perceptibly growing less; but, on the contrary, it is perceptibly growing better?—My view is that the people are growing less prosperous; we perceive it. Men who think with me perceive that the people are growing less and less prosperous.

The outward and visible sign is the capacity to pay the same amount, or a larger amount, of revenue where there has been no difference of taxation. If the produce of taxation increases, it certainly is not a perceptible sign of incapacity of the country to bear increasing burdens?—There is another thing also—increased burdens. I mentioned, and the Government themselves have admitted it in several places, that it is not possible to impose increased taxation on the Indian people. That is one thing; and, secondly, your Lordship might look at the income-tax returns, for instance. For all practical purposes the income is steady, and there is the normal growth of population. Still we feel that the capacity of the country is growing relatively less.

Will you go on?—Under the Company's Government things were, on the whole, managed with economy, and increase of taxation was, as far as possible, avoided, which is a characteristic feature of our pre-Mutiny finance. The conquest of the country completed, the Company's Government entered, in 1852-53, upon a career of administrative improvement and internal progress, and did much in both directions without increase of public burdens. And during the next five years the fiscal system was reformed, the police was reorganised, the judicial and other establishments were revised with largely extended employment of natives in some of the higher branches, and great activity was shown in regard to public works. Over two crores a year were spent on canals and roads and buildings, and arrangements were made with railway companies for the construction of the main trunk lines of railway communication; and yet the expenditure was under 30 crores. Then came the Mutiny; it was a serious national disaster. It added 47 crores to our National Debt; and our permanent annual expenditure increased

at one bound by about 9 crores, the civil charges going up from 11·7 crores to 15·8 crores, the Army from 12·7 crores to 14·9 crores, and interest from 2·9 to 5·5. The cloud of distrust, suspicion, and prejudice, then raised, still hangs over the country, and casts its blighting shadow more or less over the whole of our Indian finance. In respect of military expenditure—so, too, in regard to the extended employment of natives in the higher branches of the civil and military services of the Crown—the effects of the Mutiny are still broadly visible. I beg to be allowed to put in two statements here which I think will help the Commission to comprehend at a glance the progressive nature of our expenditure. The first statement gives figures of total expenditure *minus* railway receipts, figures of the exchange charge, and, lastly, figures of total expenditure *minus* railway receipts and exchange for the last 40 years. The second statement divides the period from 1862 to 1895 into three periods—the first from 1862–1870, that of centralised finance; the second from 1871–1881, that of partially decentralised finance; and the third from 1882–1895, that of decentralised finance.\*

I understand these figures to include the revenue so decentralised, do they not? It is the total revenue in each case?—Yes, the total; and the statement gives the salient facts connected with our expenditure during all these years. Both these statements have been prepared from the annual financial statements.

The table which you put in is a very interesting one; but of course it is impossible for you to give us these long columns of figures, and I would ask you to look down and give us two or three figures out of it, in support of what you are saying?—Yes. Well, what I meant was that, if these statements are put in as appendices to my evidence (they have been prepared with great care), they will illustrate this point: I say that the periodical averages, without exchange, have been as follows:—1852·3 to 1856·7, 30·8 crores; that was the first level. Then during the four years, which were very disturbed, after the Mutiny, there was an increase of 16 crores, 46·1; that was the average. That level was practically maintained during next 10 years. From 1862·3 to 1870·1 it was 46·9; from 1871·2 to 1881·2—that was a disturbed period of war and famine—it went up to 53·9. From 1882·3 to 1894·5, which has been a period of expeditions and increase of military expenditure, and so on, the increase, without exchange, has gone up, on an average, from 53·9 to 58·8. With exchange, the figures are much worse; they are 30·8; 46·1; 46·9; 55·8; 65·4.

Now you follow that with six statements?—Two make up each division; there are three divisions, three periods into

\* See Appendices No. 77 and No. 78.

which I have divided the whole from 1860 to the present. In 1860 our finances were placed on their new basis by Mr. Wilson.

Is this the table, that you call "post-Mutiny period"?—Post-Mutiny period, Division I, from 1862-3 to 1870-1. I would ask the indulgence of the Commission only for two or three minutes while I point out the most salient points. I would not weary them by reading all these; but I would point out—

Would you point out the object you are aiming at; then, if the tables are put in, we can see in detail how you work it out?—I have tried to point out, first, what have been the elements of uncertainty during each period, and how those elements have gone on increasing until at last they have got to quite a large number now. Then I give a list of the fiscal reserves during each period, and I proceed to show that these are now nearly exhausted. The Government has been drawing not merely upon the old reserves, but upon several other reserves.

Perhaps you would give us what you call the elements of uncertainty?—During the centralised period, the elements of uncertainty were War Office demands, about which the Government of India itself has said it did not know what might be thrust upon it; then demands for public works under the pressure of the commercial classes; then, the opium revenue having become uncertain, the fluctuations in the opium revenue; and the railway finance. These were the elements of uncertainty during the first period. The fiscal reserves were balances, taxation, and curtailment of optional expenditure, that is, public works. Now, if your Lordship will turn to the second division, there the elements of uncertainty and the fiscal reserves are mentioned of that period; War Office demands; famine and protective action; public works; commercial demands; opium; and railway finance; they remained as they were. Exchange is added now as another element of uncertainty.

Which table are you on now?—It is the post-Mutiny period, 1871-2 to 1881-2, Division 2. Two more elements of uncertainty have been added, in the shape of exchange and exigencies of Imperial policy in Central Asia. The taking of Khiva brought on a change of policy. The fiscal reserves were balances, taxation, curtailment of public works, optional expenditure, and famine grant. That came under the fiscal reserves. Then during the third period, the elements of uncertainty during the period—five of those were the old ones; then exchange, and Imperial policy in Asia, conquests and frontier protectorates; these are the expeditions and other things. They are an additional element of uncertainty. The fiscal reserves were balances, taxation, curtailment of public works, optional expenditure, famine grant, contributions from Provincial Governments, periodical revision of provincial contracts, transfer of

public works from revenue to capital, as has been done in the case of strategic railways, and so on.

Then these six tables are really an analysis of the different causes which have affected Indian finance during the time?—Yes; they are an analysis of the financial statements and the appropriation reports of the Government of India for the last 30 years and more; they are intended only to give a clear idea of how our finance is getting more and more embarrassed, showing how the clouds are gathering thicker and thicker.

Now, is there any conclusion, which you would like to put before us, that you have yourself drawn from these tables?—Yes, the conclusion is just this, that the position is becoming worse and worse, and might become hopeless, if not looked after in time. Here are the noteworthy features that I have given. On the left-hand side of each sheet I give the facts, and on the right-hand side I give the remarks; and in these remarks my opinions are expressed, and if your Lordship will allow me I will read those remarks—they are nearly the same as I have already explained: (1) Large administrative improvements were required after the Mutiny; (2) Provincial administrations made increasing demands for varied local improvements, not being themselves responsible for funds; (3) Public opinion in England urged measures for material progress (deemed neglected by the East India Company); (4) The commercial interests of England demanded improvements of communications and other public works; (5) The recurrence of famines emphasised the obligation of the State as to protective works; (a) Private enterprise encouraged in all ways; (b) State agency since 1867 employed to co-operate (100 crores in all spent on public works); (6) War Office measures in respect of the British Army imposed a net charge of 450,000*l.* due to amalgamation and unequal partnership; total expenditure rose from 42·9—49·3; expanding demands for expenditure, (1) General administrative improvement; (2) Public works, productive, ordinary, protective; (3) Provincial needs; (4) War Office demands, (2) and (4) beyond the control of Government of India; necessity for limitation of expanding demands; in respect of (3) provincial decentralization carried out, 1870-71. I have brought in here the salient points of the financial system and its working during the first period. During the second period (1) it was an abnormal period of war and famine; (2) English public opinion continued to urge measures of material progress, yet public works expenditure had to be reduced, which fell from 100 crores to 70 crores during the period; (3) The famines and the vast expenditure required led to the formation of a famine insurance fund, yet the fund was diverted to war; (4) Fresh War Office charges amounting to 48 lakhs due to amalgamation came upon the Indian Budget for increase of military efficiency; (5) What

disturbed Indian finance most was a change of policy on North-Western frontier. Imperial policy in Central Asia entered upon a new phase with Russia's conquest of Khiva. Afghanistan was given up as a neutral zone, and the Amir was promised material and moral aid against unprovoked foreign aggression, a change of policy which converted Afghanistan virtually into a British frontier protectorate. The line of the Indus was given up as the border line of British India. Indian finance was loaded with costs of schemes of Imperial territorial expansion in Central Asia; and a preponderance came to be given to military considerations in our financial arrangements, and Indian interests were subordinated to the exigencies of Imperial policy; (6) Exchange difficulty increased. Total expenditure increased by 9·7 crores. Expanding demands, (1) General administrative improvement; (2) Public works, pressure of English commercial interests; (3) War Office demands (amalgamation); (4) Treasury Office demands, Central Asian Imperial policy; (5) Exchange, (2), (3), (4), and (5) all beyond the control of Government of India. In respect of (1) further decentralisation. In the third period (1) the period was a disturbed period of war, panic, and military precautionary measures and territorial annexations, costing us about 70 crores during it; (2) English public opinion pressing for material progress, the commercial interests demanding railway extensions, the local services clamouring for increased pay and pensions, and exchange compensation, the strain on Indian finance was severe; (3) Developments of Imperial policy in Asia involving us in large trans-frontier and other liabilities; Upper Burma and other frontier provinces thrust on our hands for administrative development, which means vast future outlay. India now in touch with the great powers of Asia is necessarily pledged to vast military expenditure. Indian defences weakened. Indian finance at the mercy of military considerations, Indian armies increased; (4) Exchange difficulty enormously increased concurrently with a fall in opium. Grant of exchange compensation allowance. Total expenditure increased by 14·44 crores as against 9·7 and 6·4 of the previous periods. Expanding demands, (1) Public works; (2) War Office demands; (3) Demands of Central Asian policy; (4) Exchange, all beyond the control of the Government of India. Taxation having reached its utmost limits, the enormous growth of expenditure during the period leaves us no fiscal reserve; yet elements of uncertainty and instability of Indian finance have largely grown, and the Government of India is compelled, in the interests of financial solvency, to be able to meet fluctuating and expanding uncontrollable demands to keep tight its hold on every fiscal resource, limiting the means of the provincial administrations on the one side and reserving its freedom of action in regard to famine grants, productive public works expenditure, and provincial contributions.

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We have already dealt with the question of Imperial and Provincial net expenditure; perhaps, therefore, we may pass on now to military expenditure?—Yes, Military expenditure. No student or critic of Indian finance will fail to be struck by the position which military charges occupy in the administration of Indian expenditure. It is indeed difficult to enter into a thorough examination of this branch of our expenditure without raising a discussion about certain matters of policy which have been held to be outside the terms of this Commission's reference. My friends, Mr. Morgan Browne and Mr. Wacha, have, however, already placed the views of the Indian people on some aspects of this subject before the Commission, and I have no wish to go over the same ground again. I will, therefore, content myself with a statement of certain additional facts connected with our military expenditure, leaving the Commission to draw its own conclusions from them.

The strength of the Army in 1894-5 was:—

Standing army	...	...	...	219,778
British troops	...	...	73,119	
Miscellaneous British officers	...	...	921	
Native troops, including British officer.	...	...	145,738	
Native Army Reserve	...	...	...	13,862
Volunteers	...	...	...	29,089
Total of armed strength on mobilisation				262,729

A strength even smaller than Japan commands and about equal to that of Greece.

Its cost in 1894-5 was:—

		Rx. millions.
Ordinary expenditure	...	20.0
Military works (ordinary)	...	1.1
Total (ordinary)		21.1
Special expenditure during the year	...	.6
Exchange	...	3.6
		25.4

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Ratio of ordinary military expenditure to total expenditure, excluding railway receipts, for the year  $\frac{25.4}{73.2}$  = nearly 35 per cent. thus comparing with what we have in other countries.

Millions £

United Kingdom	...	...	$\frac{17.8}{91.3}$ = 19 per cent.
France	...	...	$\frac{25.9}{138.0}$ = 19 "
Italy	...	...	$\frac{9.4}{72.4}$ = 13 "
Japan	...	...	$\frac{2.6}{16.2}$ = 16 "
Greece	...	...	$\frac{.58}{4.2}$ = 13 "
British India	...	...	$\frac{25.4}{73.2}$ = 35 "
or omitting exchange	...	...	$\frac{21}{73}$ = 30 "
Russia	...	...	$\frac{23.9}{115}$ = 21 "

The growth of our military expenditure, excluding all exceptional items, exchange, and even military works, has been, as, below :—

Years.	Average Strength.			Average Expenditure in Millions Rx.
	British.	Native.	Total	
1837-8 to 1856-7 (20 years).	43,826	222,915	266,741	10.85
1861-2 to 1873-4 (13 years).	62,458	123,881	186,340	15.68
1874-5 to 1880-1 (7 years).	61,884	122,556	184,441	16.17
1881-2 to 1884-5 (4 years).	57,975	119,939	177,714	16.55
1885-6 to 1894-5 (10 years)	70,704	140,682	211,387	18.25
1894-5	74,040	145,738	219,778	20.1



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Taking according to Mr. Kellner's estimate, seven native soldiers as financially equal to three European soldiers, we may summarise the periodical expenditures on our Army thus :—

Years.	Total Strength European Standard.	Total Cost in Millions Rr.	Charge per Combatant in Rupees
1837-8 to 1856-7 ..	139,383	10·85	778
1861-2 to 1873-4 ...	115,550	15·68	1,357
1874-5 to 1880-1 ...	114,408	16·17	1,413
1881-2 to 1884-5 ...	109,291	16·55	1,515
1885-6 to 1894-5 ...	130,996	18·25	1,393
1894-5 ... ..	140,400	20·1	1,430

What Mr. Kellner is that? is that the gentleman who was for a long time in the Indian service? Yes; he gave evidence before the Fawcett Committee.

(*Sir Donald Stewart.*) Where did you get those figures, because they do not sound to me to be quite accurate, or nearly accurate, about the strength?—From various sources—"Army Commission's Report," "Army List," "Statistical Abstract"—in fact, it has been a matter of very great labour.

(*Chairman.*) How did Sir George Kellner arrive at his equation between the seven native soldiers and the three Europeans?—From his knowledge of the Indian Army; that is all I can say. I am unable to go into that question, because I do not know the details; but his opinion has often been quoted.

(*Sir Donald Stewart.*) Do you depend upon this statement that the Army has been increased in the year 1894-5 by 4,000 men?—It is not like that; it is over the average during the 10 years—the average was 70,000 for 10 years. The increase that was contemplated in 1885 was not carried out at once.

In 1894-5 you say it was increased to 74,000?—But in 1893 also it was nearly 74,000.

Is it the average over a series of years?—It is the average for the 10 previous years.

(*Chairman.*) But what Sir Donald Stewart means is that you have given 1894-5 alone?—That is shown separately, because that is the present strength

(*Sir Donald Stewart.*) Is that the present strength?—Yes.

Then I think it is wrong?—I am open to correction; but, if only a copy of the latest Statistical Abstract is given me, I will point out.

I think about 71,000 is what it ought to be?—I think for 1894-5 I have taken the figures from the Statistical Abstract. During the 20 years preceding the Mutiny, a most eventful period of war and conquest, we had under the Company's rule an armed force about as strong as now, but maintained at nearly half the cost, the charge per combatant being Rs. 775. The Mutiny came, and the transfer of India to the Crown followed; Army amalgamation was carried out, a Staff Corps formed, and other changes in Army organisation effected, and our military expenditure rose at a bound to 14·89 crores from 10·85, the average of the pre-Mutiny period. It has gone on ever since steadily increasing till we come to the present year, when it stands at full 20 crores, exclusive of exchange, the strength being about the same as before the Mutiny. Now, I make a few observations—(a) Looking to the composition of the Army we have 74,000 British troops to 145,738 native troops, or almost exactly in the proportion of 1 to 2. During the 20 years preceding the Mutiny, the proportion of British to native troops was 1 to 5, and sometimes much lower. The outbreak of 1857 followed; a Royal Commission inquired into the matter in 1859, and in its report submitted the following recommendation to Her Majesty:—"As regards the third question, the proportion "which European should bear to Native corps in cavalry, infantry, and artillery, respectively, your Majesty's Commissioners are of opinion that the amount of Native force should "not, under present circumstances, bear a greater proportion to "the European, in cavalry and infantry, than 2 to 1 for Bengal, "and 3 to 1 for Madras and Bombay respectively." The proportions thus laid down were recommended in view of the circumstances of the disturbed period, and were not absolute, precluding all future modification as things should change. The present organisation, however, practically rests on that recommendation, the proportion being as a whole, as 2 to 1, the differential proportion recommended for Bombay and Madras being ignored. Taking the recommendations of the Royal Commissions and looking to the local distribution of the armies, we have—

—		Native. Troops.	British. Troops.	Excess of British Troops over the accepted Standard.
Bengal (½) ...	84,614	46,379	4,072	
Madras (½) ...	32,306	14,195 }	7,266	
Bombay (½) ...	28,878	13,466 }		
				11,338

This is the amount of excess British force over the accepted standard which we have in the country, and I submit that there is nothing in the present condition of things to justify such a large departure from the recommendations of the Commission; things admittedly have changed for the better, and with our increasing appreciation of British rule, and growing attachment to Her Majesty's throne, we should have expected the proportions to be modified the other way. As it is, we have on our hands an excess force of more than 11,000 British troops, and taking the cost per European combatant at Rs. 1,430 a year, this excess force burdens our military budget with a needless  $1\frac{1}{2}$  crores for more exactly Rs. 1,573,900.  $1\frac{1}{2}$  crores a year is rather too heavy a charge for a poor country to bear unnecessarily.

(*Chairman.*) You observe that the report of the Commission, from which you quote, is very nearly 40 years old?—yes.

Many things happen in 40 years, do they not?—Yes; but the first proposals were made by that Commission; and the Government have always taken their stand on the recommendations of the Commission.

(*Sir James Peile.*) Do you know that Lord Ripon said that his Government had most carefully and thoroughly considered the question, and had come to the conclusion that one European soldier to two natives is the right proportion?—That is true: but this was a Royal Commission that investigated the subject.

Lord Ripon's investigation was a great many years after the Commission?—I know, but it was an investigation by the Government of India itself; this was by a Royal Commission.

You could not trust Lord Ripon to take care of the interests of India?—I should not like to say that; that is a very difficult question to answer in that way.

(*Chairman.*) Would you not lay any stress upon the inquiry made by the Government of India itself?—I attach more importance to a Royal Commission's inquiry.

(*Sir Donald Stewart.*) That was the result of the inquiry of a commission of Indian officials?—Yes, the Army Commission of 1879; in fact the Secretary of State and the Government of India have all along been assuming in their despatches that the proportion should be one to two; but the original recommendation on which the whole thing was based is what I have given, and I only wanted to bring it out; that is all.

(*Chairman.*) Will you go on?—The strength of our existing army is further in excess of the military needs of the country, as laid down by the Army Commission of 1879 by the recent increase of 30,000 troops. That Commission even contemplated, among other things, in framing their estimate of our requirements, "the contingency of operations beyond the frontier, not

"merely against Russia, with Afghanistan, as our ally, but "against Russia assisted by Afghanistan," and as Mr. Ilbert and Sir A. Colvin in their dissent point out, no circumstances have arisen which necessitated these augmentations.

But again, the existing organization of our army is so faulty that it imposes needlessly grievous burden on the Indian Exchequer. Our army is always practically on a war footing; we have no peace establishment proper; and the strength we could mobilize in an emergency is—including volunteers and reserves—not more than 252,719 men all told. And it is for such meagre armed strength that we have to spend under the present vicious system 25 crores and more a year. While most countries in Europe have adopted short service and the system of reserves, a system which gives them a maximum of combatant strength at a minimum of cost, India alone has to keep up her armies on a war footing even in time of peace and has to pay a heavy penalty, getting no commensurate return for the money she spends. In these days the armed strength of a nation is measured, as stated by Lord Wolseley, not by the number of men under arms in its standing army, but by the total number of trained soldiers it could put together for active service when needed, service with the colours being but a course of training for the recruits much more than active preparedness for war, and in an emergency the reserves being relied upon as the first line of national defence. While the United Kingdom spends about 18 millions on her army, and has a total armed strength of 588,785 men; France spends about 26 millions, and has an active army of 572,102 with reserves numbering 1,778,000, or a total of 2,350,000; Germany spends 27 millions, and maintains an active army of 562,014, and can mobilize in time of war with her splendid reserves a total force of 30,00,000; even Japan, an oriental country which has so successfully copied the European system, spends 21½ millions on her armies, keeping up a standing force of 37,719, and is able to mobilize a force of 269,748. British India, though she spends even more than the United Kingdom itself on her armies (25 crores), has but a standing force of 219,778, and with the reserves and volunteers, of 252,729 to show, a strength even smaller than that of Japan, and scarcely one-tenth of Germany.

England adopted short service in 1871-2, but did not extend the benefit to the Native Army. How wasteful our existing system is, may be more clearly seen when we find that we have had to add three crores to our military budget to increase our armed force by 30,000 troops.

Taking the two component parts of the Indian Army:—

(a) *British Troops.*

(1) Here we pay for short service, but the advantage of the system goes all to England. The peculiar merit of the system

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is that it gives a large reserve. Our English reserve is in England, and is not always available to us. Hence the British troops in India are all placed on a war footing.

In respect of the recent increase, the argument strongly urged was that we could not always depend on England for reinforcements, possibly least when we should need them most. Though the Indian revenues contribute so largely to the maintenance of the army reserve in England, we could not count upon getting the British troops augmented in India when we should have to take the field on a large scale. Meanwhile we have to bear the disadvantage of heavier transport charges, due to short service.

(2) We have yet the peculiar disadvantage of short service, a paucity of seasoned soldiers in the standing force. Lord Wolseley has told us that men of under 2 or  $2\frac{1}{2}$  years' service are seldom sent on active service, and whenever mobilization takes place for field service in European countries, it is the reserves that are largely drawn upon. As we have no reserve in India, we pay for a force which is not all available for field duty.

### (b) *The Native Army.*

Our Native Army, though theoretically a long-service army, is practically in the main a short-service one. Under the regulations a man can claim his discharge after three years' service, and it is calculated that as many as 80,000 trained native soldiers return to their homes in 10 years' time. The army Commission of 1879 proposed the formation of reserves in order to retain a portion of these 80,000 men bound to the obligations of service, and also in the hope that the reserves so formed in time of peace might "enable the Government to reduce the peace strength of the native Army," and expressed their view that such a restricted reserve system could cause no political danger to the country. The proposed reserves were calculated to absorb 58,200 men out of the 80,000 retiring from the army every 10 years.

The formation of such reserves to the Native Army was decided on in 1885-6, and Lord Dufferin's Government proposed, when Sir Donald Stewart was Commander-in-Chief, to begin with two kinds of reserves, regimental and territorial, of which the latter system was evidently the more suitable of the two, and could have succeeded better. But the Secretary of State vetoed the proposal as far as it related to the formation of territorial reserves, apprehensive of political and military dangers of such a step, and sanctioned only regimental reserves. Accordingly, we have now the feeble and straggling reserve that there is, numbering about 14,000.

Of course, as far as it goes, it is a step in the right direction, however halting, and a strong effort ought to be made to organise on a sound basis a large effective reserve to the Native Army,

so as to permit of reduction in its strength, which, while increasing the total armed strength of the country would bring material relief to the finances of the country. The wasteful costliness of the existing system is obvious.

We next come to the *Officering* of the Native Army.

Before the Mutiny, there were two classes of Native regiments, "regular and irregular." In the regular regiments the nominal staff of British officers was 25 strong of whom about 12 were actually present, the rest employed in civil and other departments. In the irregular regiments, there were only three British officers, the rest of the staff being entirely Native. When the armies were reconstructed after the Mutiny in 1861, the irregular system was adopted throughout the Native Army, first in Bengal and later in Madras and Bombay, with the change that the number of British officers per regiment was increased from three to seven. In 1874-5, the strength of English officers was increased by the addition of two probationers to each corps. In 1882-3, one more officer was added to the cadre; so that we have now eight British officers in each regiment, ousting the Native officers virtually from the entire field of higher regimental command. Before the Mutiny, and in the irregular regiments, the British officers commanded wings and squadrons, leaving the command of the troops and companies on the field to Native officers. Since the transfer and reconstruction of the armies, the field of employment for Native officers has steadily contracted, and they have not now even the command of troops and companies, and hold a lower status in the army. In their place a costly European agency has been put in, thereby imposing a great burden on the finances. My impression is that under Russia the native races in Central Asia have far more honourable military careers open to them, and the comparison must fill all friends of British rule in India with regret. The late General Chesney, who generally was not with us on Indian questions, has protested against this state of things in most eloquent terms, and I beg to be allowed to read a brief extract from his "Indian Policy":—

"In the cavalry the position of the Native officer has even gone back, for whereas formerly he could rise to the command of a squadron, the squadrons are now commanded by British officers the most junior of whom takes precedence over the oldest Native officer. So far then as the Army is concerned, the Queen's Proclamation on assuming the direct Government of India is a dead letter. This proclamation declares that 'Our subjects, of whatever race or creed, shall be freely and impartially admitted to office in Our service, the duties of which they may be qualified by their education, ability, and integrity, duly to discharge.' To a very large number of a most important class of Indian gentlemen, descended in many cases from ancestors who

held high military office under former rulers, the only palatable, and, indeed, the only form of public service practical and possible for them is the military, and that is closed to them. While this is the case, it cannot be said that the promise held out in the proclamation is fully acted upon. It may be replied, indeed, that the class in question is excluded from service by the condition of fitness laid down, by reason, that is, of their defective education. And certainly, in regard to a service the routine business of which is conducted in the English language, this contention may be held to be good, if the proclamation is read in a literal sense, without regard to the spirit which animates it. Some very gallant and distinguished Native officers, among them hereditary chiefs who have brought their clansmen by the hundred to join our standards, men who closely resemble in many respects the chiefs of the Highland clans 150 years ago, have been unable to read or write in any language; yet men labouring under the same deficiency have carved out kingdoms for themselves. A man of this sort a thorough gentleman in manner and feeling, if illiterate, with all the pride and bearing of birth and high family tradition, leading his own kinsmen like the Highland chief of old, will by his own chivalrous example show his men the way to victory, and that after all is what has to be aimed at in choosing officers" (pp. 263-269).

It may be, indeed has been, said that the change of policy, here advocated would be dangerous; that men of rank and influence raised to high military position might take advantage of the position; that the mutiny might have had a very different ending if there had been men of rank and ability in the army to take advantage of the opportunity. Plain speaking is here the best. Nothing will be concealed by silence for this defect in our military system is so prominent as to be the subject of constant comment. The studious exclusion of Indians from all but the humblest places in our army is so conspicuous, that only one inference can be placed upon it, that we are afraid to trust them, and the danger from one point of view may be freely admitted. The Indian people are not held to us by any feelings of attachment. When in almost every country of Europe men are found plotting against their fellow countrymen, with the experience of Ireland before us, it would be absurd to expect that verily in India should take a higher form than expediency, the terrible position that our rule is the best available at present, and danger it is too firmly established to be attached without risk. Accordant from any question of justice or good faith, it is surely that this a matter of policy to have men of talent and ambition. Of course, their interests enlisted in our system as offering however lies of high advancement, than that their only chance of on a sour from a life of obscurity and inaction should be felt to lie

in subversion of our rule and the anarchy attendant on such a revolution. There can be little room for doubt on which side the choice should be taken, for much time has already been lost before entering on the course indicated by policy as well as good faith. Meanwhile contrasts not to our advantage are publicly made between the Russian system, its ready assimilation of the races brought under its influence, the utilisation of ability which might otherwise be dangerous, and our hard and fast representative system. And when the step forward is taken in the right direction, it will be satisfactory to consider that while the Army necessarily contains the elements of danger inherent in every body formed under such conditions, it has been rendered of late years a much safer as well as a more efficient weapon. No one class has been disproportionately increased in strength, while for the indiscriminate infusion of class and caste, the separate class and caste system has been largely substituted. For precaution, the Army must be held to its duty by liberal terms and strict discipline, a still more effectual precaution would be that indicated by considerations of justice and policy, that the military classes, equally with all other classes, should feel that to them a career suitable to their castes and aspirations is open, bounded only by their capacity to take advantage of it, that service under the Queen may offer more than can be hoped for by any other way (pp. 270-271).

On what occasion did he say that?—This is a work on Indian Polity, and that quotation is from chapter 16.

(*Sir Donald Stewart.*) Which edition is that?—1894.

Even in the lower positions the number of Native officers has sensibly fallen off during the past 20 years. In 1876-7 the number of these officers was 2,812, in 1895-6 it is 2,759—a decrease of 53 officers, though the strength of the Army has risen during the period from 120,672 to 141,257 (*i.e.*, 20,000). On the other hand the number of British officers shows an increase of 149 officers (from 1,431 to 1,580).

Lastly we come to a feature of the existing army organisation, the most wasteful of all.

The Indian Staff Corps is a corps of officers intended for the Native Army as well as for civil employ in the political, police, survey, and other departments, and in the frontier and non-regulation provinces.

When the amalgamation was carried out in 1861, there was a complete change in the system of officering the Native Army. The old supply from the British regiments was stopped, and a staff corps was established in each presidency for the purpose. All officers of the Army except those who declined were transferred to the new corps. The promotion in the new corps was entirely by length of service, not by succession to a vacancy, so that lieutenants became captains, and captains, majors, and



so on, though the promotions were not needed for the work of the army. The system is still in force, which is as under :—

Ensigns on transfer to the corps to become lieutenants.

Lieutenants after 11 years' service to be captains.

After 20 years' service to be majors.

And after 26 years' service to be lieutenant-colonels.

Further privileges were in 1866 conceded to the staff corps. Previous to that year a certain number of lieutenant-colonels succeeded on vacancies occurring to colonel's allowances. These carried with them an extra pension of 664*l.* a year. In 1866 the Secretary of State allowed all officers then in the staff corps and all who might join, to succeed to colonel's allowances after 12 years' service in the grade of lieutenant-colonel, without reference to any fixed establishment of colonels with colonel's allowances. Thus every officer could in future rely on getting colonel's allowances if he lived and clung to the service till he had served 38 years. The general result of this extraordinary system of promotions and pensions has been that the upper ranks of the service are filled with officers for whom there is no work.

The colonel's allowances previous to 1866 were granted only to a certain number on ground of special merit, at the rate of one to 30 officers. Since then it has been indiscriminately allowed to all, and we have now 501 officers in receipt of colonels' allowances on a staff corps of 2,826 strong, *i.e.*, more than one in six officers.

The grant of such allowances is now placed under new conditions, but the heavy burden on the Exchequer due to the measures of the past, taken in the interest of the officers, grows heavier every year. The old system of promotion is still in force; regulated not in accordance with the needs of the services but in the interests of the officers as if the army was for the officers and not the officers for the army.

The whole question regarding the constitution, terms of service, rates of pay and pension in regard to this costly and privileged corps requires to be carefully examined. As it is the whole system rests on an unsound basis, the corps is over numerous and drawing privileged rates of pay and pension, inflicting a heavy burden on the national exchequer.

(*Sir Donald Stewart.*) I presume that you are aware that this system, which you condemn and which probably most people condemn, is coming to an end?—It is coming to an end, but the burdens are still there.

(*Chairman.*) I think that brings us to the services?—Yes.

I think we will begin to-morrow with those?—Yes; the remaining portion will not take us long, I think.

The witness withdrew.

(Adjourned till to-morrow at 11 a.m.)

(*Sir James Peile.*) I gather that you hold the doctrine held by Mr. Naoroji and Mr. Wacha of the increasing poverty of India?—I do.

Now your indictment of the Government depends entirely on the truth of that doctrine?—The truth of what?

Of that doctrine that India is falling into deeper poverty?—I have not gone into that question in detail, because that does not come within the terms of the reference. Only in one place have I incidentally referred to it.

Still, if you give it as a state of India which justifies an indictment of the Government, you ought to be prepared to support the doctrine by proof. In fact, you did so, because, I think, you were asked on what you rested that opinion, and you said the condition of the people in famine. Would you please repeat what you said about what happens to the people in famine?—I said that, at the first touch of famine the people suffered in large numbers, and that was a sign that the people were not in a position to bear burdens that were put upon them.

By "the people" do you mean the whole people or the agricultural people?—Well, in regard to famine, those who suffer from famine—the large bulk of the population. Petty traders and artisans also come under the same category, but agriculturalists mainly, of course.

Have you studied the course of prices of agricultural produce in India within the present century? I have given some attention to that, but I cannot say that I have studied the question.

You know, of course, that in the first 20 years of the century there was the widest disorder prevalent in India. Large tracts were laid waste by fire and sword, villages burnt and people outraged and murdered?—Yes.

After that, order was introduced, and up to about 1850, the prices of agricultural produce fell; do you agree?—I have read such descriptions.

Of course the reasons of that are very obvious. The cultivation extended very rapidly in conditions of peace; produce was very largely grown; there were no railways, so that it could not be carried about easily, and, of course, the value of it fell so that it scarcely fetched any price at all. After about 1850, during the administration of Lord Dalhousie, came the time of the introduction of railways. From between 1850 and 1860 onwards they were very rapidly constructed; the result of that has been that the values of agricultural produce have risen enormously, is it not so?—In some places they have risen; the tendency has been towards greater equalisation, I think.

No, not merely that. I think I can show you that it is not so. We have merely periodical revisions of the land revenue assess-

ment, in which the data are the price of produce at the time of the previous settlement before 1850, and the prices at the revision. It is very frequently found that the prices of agricultural produce have risen 100 per cent., or even more, in the markets of the small country towns; and, if you take the settlements of that period, the old settlement before 1850 and the new settlement after, that is invariably the case. Of course, if the settlement to which you are looking back, took place after the railways were introduced, it is probable that there has not been, at any rate, a great rise in prices between that first settlement and the second. Well, the value of the produce exported from, or moved in, the country after the introduction of railways increased enormously. We have also data of the importation of precious metals. I took from the "Statist" a table drawn up by the Bank of Bengal which gave for 33 years up to March 1892 the amount of bullion imported and kept by India. It was 230½ millions sterling in silver and 126 millions of gold; 356½ millions in the aggregate, or an annual average of 10¾ millions. Now I will show presently where part of that went to; you accept those facts, I think?—I accept the figures from you.

Are not these facts that I have mentioned signs of decreasing, rather than of increasing, poverty?—I do not think so.

You do not; can you tell us why?—It all depends on what classes all these things go to. In addition to what you have mentioned you must also be able to show that these increased imports of precious metals found their way into the pockets of the agriculturists—into the pockets of these poorer people.

(*Sir James Peile.*) I will try to show it presently in a question I will put to you.

(*Chairman.*) May I ask a question on that? The fact of these large amounts pouring into India shows that India as a whole was not decreasing in wealth?—I do not think that they are very large sums after all, when you remember what a large country India is. Besides, I should like to know how much of that went to keep up the currency of the country; how much was absorbed by Native States, and how much remained in British India. The whole question will have to be gone into carefully, and mere total figures will not assist us much.

That is not my question. My question is a very simple one. In regard to these figures I speak of India as a whole. Do you admit that India as a whole was increasing in wealth?—I should not admit that; these precious metals do not come in for nothing: a large quantity of the produce of the country goes out as a sort of exchange. I do not think that mere imports of precious metals can be accepted as an addition, economically speaking, to the wealth of the country.

But you must suppose that the produce that is sold, that passes out as surplus produce and is sold—it is quite a voluntary

matter to sell—would be sold at a profit?—Well, as a matter of fact our exports are greater than our imports, owing to these home charges. The fact that such large quantities of precious metals come into the country, shows that the imports in other shapes are fewer than they would otherwise be. I do not think that is any very conclusive evidence of the growing prosperity or poverty, either way; it is simply an economical fact.

But a great quantity of the precious metals coming into a country and stopping there, shows that there is at all events a power of hoarding or accumulating, if it does not go out?—I do not quite see that.

Perhaps you hesitate to accept proofs of prosperity?—I am quite open to correction, but I do not quite see clearly how the mere fact of the imports of gold and silver being so and so can mean that the country is increasing in prosperity. This is a fallacy of the mercantile system long regarded as exploded.

If I find at the end of the year in my banker's account a couple of hundred pounds more than at the beginning, am I a poorer man?—I do not say that; but if your income in one year was a couple of hundred pounds, and so many commodities, and in the next year you get fewer commodities and a hundred pounds more, that does not necessarily mean that your lordship is richer. It all depends on what the total amount comes to.

(*Sir James Peile.*) Well, now, we will go on to your argument, based on famine. Your argument is that the people of India cannot stand up for one year against famine, because they have no resources to fall back upon?—Not exactly that.

Will you state it then, please?—I will take the famine of 20 years back. You were one of the Commissioners who gave particular attention to that, so of course I speak to you on the matter with considerable diffidence, but the opinion I have formed after reading the Famine Commissioners' report is this. So far as our Bombay Presidency is concerned, there were two successive failures of rain, one in 1876 and then in 1877. During the first year the distress was not so very great, but during the second year the distress was most intense. On the other hand this year there has been a famine; the failure of rains, however, was not so great as it was 20 years ago, and yet the extent over which famine now prevails is much larger than the extent over which it prevailed then.

Surely you are wrong in one point, that the failure of the rain was over a smaller area this year than it was in 1876-7?—I am not talking of other parts of the country; I am talking of the Bombay Presidency at present. Taking the figures on the relief works for Sholapore, for instance, I find the number has now increased to over 100,000—that is about 125,000. Now this figure was never reached even in the worst days of 1877. The highest total was, I believe, about 98,000 then.

Supposing the conditions of work and the pay of the work in this famine are a good deal more liberal than they were in 1876-7?—I do not think it is more liberal than what it was in 1877, *i.e.*, in the second year of the famine—no doubt, in the first year it was very bad, but in the second year things had admittedly improved.

I have not got the exact figures about it, but I am told that is the case?—That is the official view, but our complaint is that the famine relief workers get very insufficient wages at present.

I think it would be a very difficult thing to establish a proposition of that kind, that the people are poorer now and call more largely for relief; that is a somewhat hasty conclusion, I think. Let us return to the general considerations of famine?—I have got some figures to prove my point.

You say that the people generally have no resources, and that they cannot tide over even one year?—Yes.

Now, is that condition of things peculiar to the English Government?—But after 50 or 60, or 100 years of settled government, surely things ought to have improved for the better.

I think they have; but one sees it very often said that the famines are entirely the fault of the British Government?—I never said so.

You have heard of the famine of 1770, before the British Government had anything to do with Bengal?—But I never said that British government brought famines into the country. I do not say —

In which one-third of the population died without any measures being taken to assist them?—I do not know anything about that.

(*Mr. Naoroji.*) Was there not British possession of Bengal before 1770?—Yes; the Company governed under the nominal suzerainty of the Emperor.

(*Sir James Peile.*) We had not direct responsibility for the executive Government?—I think in 1770 you had; it was only two years before the regulating Act.

But, if you look into the form of the government, you will find that the native executive was still responsible?—If you will excuse me just a minute I will find it, because General Chesney gives it, and I have his book here. In 1770 you were the rulers practically. The nominal ruler was the Emperor; virtually all government was in your hands—the revenue and everything.

The question is whether the British then would be responsible for famine relief?—I cannot go into that question, because I have never asserted that the British were responsible for famines.

I do not wish to go into the question. The point is that India was subject to famines in those days as severe or more

severe than they are now?—With this difference that the data about those famines are very insufficient, and this is admitted in the Famine Commissioners' report.

Now, taking the number of persons in relief at the present time, do you know what the total amount is—the highest figure?—Yesterday I read in the "Times of India." I believe, that it comes up to about 400,000 or more at present.

I think it is hardly so large; it got up to three millions?—That was because the reaping was going on in some parts, and some had found employment elsewhere. The last figure was 430,000 or so.

Four millions you mean?—Yes, four millions; I beg pardon.

I do not think it is so many. It got up a little above three millions, and then it fell?—I made a remark to Mr. Naoroji yesterday that the number had gone up by about 30 per cent. since my leaving India.

Now, we will take your figure of four millions?—Yes.

Do you know the population of the provinces in which these relief works are undertaken?—I cannot say offhand:

The Government of India has given the area in which the famine is very bad, and the area in which it is not quite so bad?—Yes.

I think the one was 40 millions of people, and the other 37 millions, I take it, in round numbers?—Yes.

Call it 80 millions?—Yes.

That is 4 millions in 80 millions?—I beg pardon, four millions absolutely destitute, but many, many more in fact who suffer quietly at home, too proud to go to the relief works.

You say they have no resources?—They have no resources; if they starve, that is no resource.

That is an assumption which I do not admit?—I speak from personal experience of the famine in Sholapore. I was there about a fortnight only recently before coming here; I found, as a matter of fact, that there was very great distress.

I have no doubt "distress" most assuredly; still the people manage to live through it?—Well, if you will excuse my saying so, the Famine Commissioners themselves have said that, when 10 per cent.—10 per cent. or 12 per cent. is the figure they give—of the people are on the relief works, then the distress must be described as extremely acute. Now the population of Sholapore district is about 800,000—if I am correct, 700,000 to 800,000. Well, one-tenth of that would be about 70,000. If, therefore, 70,000 were on famine relief, the distress would be extremely acute, and it would be a severe famine. The number of men on relief works at present is about 120,000, somewhere about that, and, therefore, according to that statement in the Famine

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Commissioner's report, the distress there is very much more acute now than the standard laid down.

I was not at all arguing whether the distress was acute or not?—You seemed to say that 4 millions out of 80 millions did not indicate much distress.

What I was arguing was, that if 4 millions out of 80 millions come and ask for relief, and say they are starving if they do not get support from the Government, that shows that a considerable majority of the population are not driven to that extremity, and are able to support themselves through famine?—I do not think so. Much depends on the social status of the sufferers. There are people of the higher classes who would die rather than go to relief works; in fact, the Famine Commissioners themselves admit so.

What proportion are the highest classes? Are they not a very small percentage?—Not the highest classes, but the upper section of the lower classes. Moreover, the women do not go to relief works above a certain class. They suffer at home; they cannot go out and work; and there are various other things to be borne in mind. It is really difficult for me to go fully into the question offhand.

You are making all sorts of statements which I do not dispute; but, take the general result that out of 80 millions four millions come and seek for relief, would you not infer from that a very large proportion of the people have resources which enable them to tide over famine?—I do not think so.

You do not think so?—According to your own standard, 10 per cent. represents severe distress; out of 80 millions, what would 10 per cent. be? I do not quite see how the whole thing would work.

Well, 4 millions to 80 is how much? It would be 5 per cent.?—But it must be remembered that this is the first year of the famine; besides, the total 80 millions includes also areas where the distress is not acute—where the distress is only mild, and all that.

(*Sir James Peile.*) Let us proceed, because I merely wish to go into very general considerations, and not into particulars.

(*Chairman.*) May I ask here, have you any returns of the mortality caused by this famine?—It is for Government to give those returns; the Government have not yet published them.

(*Sir James Peile.*) They cannot yet, of course?—Sir William Wedderburn has been asking for them in the House of Commons for some time.

You can hardly get them yet?—I do not think it is so very difficult.

(*Chairman.*) Are there any returns showing what the mortality of the famine districts is, and whether it is very much in excess of the ordinary rates?

(*Sir James Peile.*) It varies very much. In some it is in excess, and in others it is not in excess?—I remember a statement drawn up by Mr. Goodridge who was recently Judicial Commissioner of the Central Provinces; and in it he gives the mortality for several districts in the Central Provinces, and the increase in several places is three or four times the normal rate.

You mean lately, this last year, in this famine?—In this famine.

During the early part of it?—Yes, during this famine

Well, now, what class of persons suffer first?—In case of famine?

Yes?—I can speak from personal knowledge of my Presidency only. They are the small agriculturalists who hold direct under Government; they are the persons.

Who first feel it?—Of course, simultaneously with others; the day labourers—

Do not the weavers feel it first generally?—The weavers also; they are in the first ranks.

Do the farm labourers come next?—Well, they also go with them.

Before the agriculturalist?—By agriculturalist I mean those small agriculturalists who are also labourers, not the landlords in whose name—

You mean the ryots, the peasant occupiers?—Yes, for the most part. A great many of them work on the soil themselves in Bombay.

Farm labourers, then?—Yes.

Weavers, and then farm labourers. Well, if you take farm labourers and mill hands in England, supposing that a great calamity fell upon England, and the food supplies were suddenly stopped, do you think that farm labourers and weavers and mill hands, and so on, would have resources which would enable them to live over the period of high prices which would result?—That is a very hypothetical case, because such a calamity never seems to come to England.

(*Chairman.*) The actual case did happen in the cotton famine of 1860?—I think that was a very extraordinary occasion and your people assisted them, I believe, very well here.

But I want to point out that has happened?—Only once in a way; that is, not so often as we have in India.



The question was whether such a thing had happened?—And it was, besides, a very small class, merely, the operatives in mills, I believe, in Lancashire.

We do not think that the operatives in Lancashire are a very small class?—I do not say so. But the agriculturists in India are about 80 per cent. of the population; the operatives in mills here are not such a large class.

(*Sir James Paile.*) There is another question I want to ask; is it a fact that the people have shown that they have no resources? Are you aware what happened in the last famine, when silver ornaments of enormous value were sent down by people up country to the mint to be coined owing to pressure of famine in order to obtain the means of support?—But that itself shows the extreme acuteness of the distress. Every woman in India, for instance, feels that she must have a certain minimum of small silver ornaments; well, owing to the customs of the people, that is almost as necessary as the breath of life; you cannot construe that into the wealth of the people.

My question was whether in time of famine they do not use that accumulation of ornaments to sell or dispose of, and so obtain food?—As a last resource they do.

Is it not, then, a resource?—It is a resource, but it is a very crude resource to use.

I find that the last total is 2,800,000 on relief works?—Is that so I beg your pardon. But your figure, I think, does not include all the children who are receiving relief.

I will just wind up what I was saying. Then, to sum up, it seems to me that you must greatly modify this statement that the bulk of the people have no resources?—I do not see how.

In respect of having all those ornaments sent down to be coined?—That does not prove that the ornaments are increasing; nothing has been said about that.

My question was whether the people have any resources?—The question is a relative one, whether the resources are increasing or decreasing.

I have shown two points; an enormous portion of the agricultural population do not go on relief at all; and, secondly, they possess a considerable fund in the shape of ornaments, which they coin when the famine attacks them. I say, having those two points in view, must you not greatly modify the statement that the bulk of the people have no resources and fall down at once?—They have comparatively no resources; that is what I mean; I do not see any reason to qualify it.

Very well, that will do; and also I have shown that there are very important facts which point rather to a decrease than to an increase of poverty?—I should like to know them.

I gave them to you before?—They have not convinced me, at all events.

We traced the rise of agricultural prices?—But that means that everything has gone up, including the cost of agricultural produce; then, the agriculturalist has had to purchase certain other things for himself; and these too have gone up in price.

Let us take that for a moment; the agriculturalist grows his own seed?—Yes.

He also grows his own food?—Very little remains for himself.

There you are begging the question. What remains he sells; and he gets the increased prices?—That is only the theory of the subject.

That is not the theory; that is the positive fact in every house in the country. I think it is useless to prolong this discussion?—It is not a fact.

(*Sir William Wedderburn.*) Is it not the case that the ryot is so much in the hands of the money-lender, that is to say, the trader, that he has to give him his produce at the price that the trader chooses to give him for it?—That is what I meant to explain just now, but I was asked not to go on.

And your general proof of the increasing poverty of the people is that, whereas in the late famine the people were able to stand up against the first failure and only suffered very materially in the second failure, in the present famine they have shown no power to stand up against the first failure?—That is what I mean.

(*Sir James Peile.*) I must ask for a little evidence of that.

(*Sir William Wedderburn.*) And that on the first failure on this occasion there are more people seeking relief than there were on the second failure in the first famine?—Yes.

That is your argument?—Speaking for the Sholapore district, of which I have experience.

And you deduce from that the people are in a rather worse condition than they were before?—Yes.

And that the fact of their dying from hunger is evidence that they have no resources to fall back upon?—Yes.

(*Sir James Peile.*) But is there any proof whatever that they have come more largely on to works?—I gave you the figures for Sholapore.

And I gave you the official figures. Will you now read them?—I cannot go into the whole question, but I know about one district, the Sholapore district.

I do not think this is anything to the point. We want the total figures for all India, which you gave us as 4,000,000 on

relief works?—Well, I am open to correction as to a matter of fact.

Will you give us what it is in the official communication which I have put before you?—It is 2,800,000.

Then the whole argument falls to the ground on the figures?—It does not. I never based it on 4,000,000 or 3,000,000. I based it on our experience in the district of Sholapore. I know for a fact that there the number on relief is about 120,000, and on the last occasion, even in the second year, it was less than 100,000.

And if the famine this year is a great deal worse than on that occasion, and if the terms and conditions of the relief works are more liberal than they were on that last occasion, then you naturally get more men on the works?—I myself heard the Collector of Sholapore say that this year it was only an "eight anna" famine at Sholapore. It was not so intense as the famine of 20 years back, although the extent was greater, and there were many more people who suffered than before.

What is the comparative price of food?—I cannot give an off-hand answer to that question.

That would be the leading point of the whole question, would it not?—If I had expected to be cross-examined on this point I would certainly have come prepared. But I thought this was outside the terms of the reference to the Commission.

You are making statements. Of course one must examine into them?—I beg your pardon. You make statements, and I only reply to them.

You make statements in regard to Sholapore, and I see Sir William Wedderburn has tried to give point to them by putting to you that the people are in a worse condition?—I beg pardon. I did not volunteer these statements. You said the famine was not more intense, although the extent of area affected was great. I say it is a milder famine, but it is causing much more suffering.

I said the extent of area covered by the famine was greater than the last and it is an undoubted fact?—Well, I see no use in pursuing this matter further.

(*Chairman.*) I will now pass on to where we left off yesterday, the services?—My Lord, I will say just one thing about the figure of 4,000,000. I gave that as only my recollection after reading a weekly paper yesterday. It may be wrong; there might be a misprint; but I did not take my stand upon this particular figure, and now that this authoritative statement is put into my hands I am ready to modify my own. Your Lord-  
are very, that I based no argument on that 4,000,000.  
to an incre

I think you were going to offer some observations on the services?—Yes In every department of Indian expenditure the question of agency is one of paramount importance. According to a Parliamentary return of May, 1892, we have in India in the higher branches of the civil and military departments, a total of 2,388 officers, drawing Rs. 10,000 a year and upwards, of whom only 60 are natives of India, and even these, with the exception of such as are judges, stop at a comparatively low level. And they are thus divided:—

	Natives.	Eurasians.	Europeans.	In thousands of Rupees.		
				Total Salaries of Natives.	Total Salaries of Eurasians.	Total Salaries of Europeans.
Civil Department.	55	10	1,211	947	151	25,274
Military.	1	1	854	12	11	13,268
Public Works.	3	4	239	33	45	3,415
Incorporated Local Funds.	1	...	9	10	...	113
Total.	60	15	2,313	1,002	207	42,070

In addition to these the railway companies employ 105 officers, drawing Rs. 10,000 a year and more. They are all Europeans and their total salaries come to 16 lakhs 28 thousand rupees. If we come down to officers drawing between Rs. 5,000 and Rs. 10,000 a year, we find that we have 421 natives in the civil department, as against 1,207 Europeans and 96 Eurasians. In the military department there are 25 natives as against 1699 Europeans and 22 Eurasians. In the Public Works Department there are 85 natives as against 549 Europeans and 39 Eurasians. And in the Incorporated Local Funds there are four natives as against 22 Europeans and three Eurasians. The total salaries of officers of this class are thus divided:—Civil Department, Natives, 2,905,000; Eurasians, 650,000; and Europeans, 8,830,000. In the Military Department, Natives, 164,000; Eurasians, 139,000; and Europeans, 13,698,000. In the Public Works Department, Natives, 537,000; Eurasians, 273,000 and Europeans, 3,962,000. And in the Incorporated Local Funds, Natives, 25,000; Eurasians, 17,000; and Europeans, 146,000. In addition to these there are, under the railway companies 258

officers of this class, of whom only two are natives, eight being Eurasians and 248 Europeans. Their salaries are thus divided:—Natives, 12,000; Eurasians, 50,000; and Europeans, 17,10,000. In England 125,360 £ is paid as salaries by the Indian Government, and 54,522 £ by railway companies, all to Europeans. The financial loss entailed by this practical monopoly by Europeans of the higher branches of the services in India is not represented by salaries only. There are besides heavy pension and furlough charges, more than 3½ million sterling being paid to Europeans in England for the purpose in 1890. The excessive costliness of the foreign agency is not, however, its only evil. There is a moral evil which, if anything, is even greater. A kind of dwarfing or stunting of the Indian race is going on under the present system. We must live all the days of our life in an atmosphere of inferiority, and the tallest of us must bend in order that the exigencies of the existing system may be satisfied. The upward impulse, if I may use such an expression, which every school boy at Eton or Harrow may feel, that he may one day be a Gladstone, a Nelson, or a Wellington, and which may draw forth the best efforts of which he is capable, that is denied to us. The full height to which our manhood is capable of rising can never be reached by us under the present system. The moral elevation which every self-governing people feel cannot be felt by us. Our administrative and military talents must gradually disappear owing to sheer disuse, till at last our lot is stereotyped, as hewers of wood and drawers of water in our own country. The Indian Civil Service is nearly 1,100 strong. Under the rules of 1879, since abolished, we were entitled to one-sixth of the whole recruitment, and in course of time we should have had about 180 natives in the Indian Civil Service. The Public Service Commission, appointed by Lord Dufferin, proposed the abolition of those rules, and recommended that 108 posts, usually held by covenanted civil servants, should be set aside for Indians. The Government of India and the Secretary of State thought this recommendation too liberal, and ultimately decided to throw open only 93 such posts to which the native of India may be appointed, after certain existing claims, were satisfied. That these higher posts are guarded with extreme jealousy as practically a close preserve, may be clearly seen from the following illustration. Mr. Jacob gives, in Appendix 16 of section II of this Commission's Report, the total number of District and Sessions Judges in India as 126. Out of these only five are shown as natives. Now the capacity of natives for the efficient discharge of judicial duties has been over and over recognised, and the Public Service Commission expressly recommended that one-third of all District and Sessions Judgeships should be given to natives, which meant 42 out of 126. Instead of those 42 however, we have at the present day only five native District and Sessions Judges. So, again, in the Police, out of 230 District Superintendents only three are natives. Only five natives

qualified to do the work of Police Superintendents in all India, after close on a century of British rule ! The same is the case with the Forest Accounts, Opium, Mint, Scientific, and other departments. In the Public Works Department we have a total strength of 800 engineers, of whom only 96 are natives. The Indian civil engineering colleges have been working for years, and yet not more than 96 of their trained graduates are to be found in the higher branches of the engineering service. In this connexion I may mention that the Finance Committee of 1886 recommended that the connection of the Indian Government with the Cooper's Hill College be terminated as soon as possible, and that there be a large recruitment of students of Indian colleges. This recommendation, however, was not accepted by the Government of India. I may also be permitted to make one or two general observations here on this Public Works Department. This department has been for a long time overmanned, and Lord Dufferin's Finance Committee thought it necessary to pass some severe criticism on the point. The sanction strength is 760. The actual strength in 1884-85 was 898, in 1893 it was 857, and now it is about 800, which is still 40 in excess of the sanction strength.

(*Sir James F. Peile.*) In the Civil Department? You mean the Higher Department?—Above Rs. 10,000 a year.

(*Chairman.*) May I ask, was 760 the number of which Lord Dufferin's Committee approved?—Yes. It was sanctioned by the Secretary of State. Ever since the expansion of the Department in 1860, and notably from 1868 to 1875, we have had the superior staff arranged less with reference to the work to be done than to the condition of things as regards the position of officers. I may mention here briefly that these points have been expressly admitted, by Sir Theodore Hope, who was in charge of the Public Works Department for a considerable time. There has frequently been hasty and irregular recruitment during the periods of expansion, followed by blocks in promotion, requiring in their turn corrective efforts in the shape of special allowances or better pay and pensions, not founded on a consideration of the executive needs of the Department. And more than once officers have been specially induced to retire from the service on very favourable conditions as to pensions, to reduce the redundancy of officers.

That is a very intelligible criticism on the administration, but, may I ask, is not that common to all administration?—I do not know any country to which that kind of charge does not apply, namely, that in one shape or another, under pressure or owing to error on the part of the Government, charges which part of the community think excessive, are incurred. That is not peculiar to India, is it?—I do not know much about other administrations.

(*Sir William Wedderburn.*) Might not that difficulty be met by the temporary employment of natives of India instead

of taking on permanent European officials who have claims for permanent service and pensions?—Yes, and I would also add that these special concessions are general, and invariably made in the interests of the European services only. I do not know a single instance where native services have ever clamoured for increased pay or pensions, or ever got any concessions. The Finance Committee of 1886 recommended that Royal Engineers in the Indian Army should be put on the Civil Staff, remarking that “it is necessary to maintain a considerable establishment of Royal Engineers in India for military requirements. . . . Such of them as are needed for purely military duty in time of peace can be best employed in the Public Works Department, and should, in our opinion, have the first claim for employment in that Department in preference to all others,” and the committee suggested that the Military Works Branch of the Department should be abolished as a separate branch for military works, and amalgamated with the general Department. The suggestion as to the abolition of the Military Works Branch has not been carried out, and only 70 Royal Engineers from a total of 273 are at present on the civil staff, the greater number of the remaining 200, or so, doing little or no work. It may be added that these suggestions of the Finance Committee had the full approval of the then Commander-in-Chief.

(*Chairman.*) Do you consider it advisable to do away with the Civil Engineering Staff altogether?—I only mention what the Finance Committee themselves recommended.

Do you advocate total abolition?—Well, the recruitment from Cooper’s Hill College was to be stopped; they said that for the most part the recruitment should be from the Indian colleges.

You said “for the most part.” Do you think the military engineers were to form the total engineering staff of the Government?—I have not quite caught the question.

Do you consider that the Finance Committee recommended that the civil staff should be entirely done away with, and that the whole of this engineering staff should be supplied by the military?—Oh, no, not at all. They said that there should be European civil engineers; but that no special places should be given to a particular college, and that every man should be recruited in the general market; also a much greater recruitment might be made in India.

Well, do they consider the point, how far you could attempt to weaken the military staff?—They themselves said they were not exactly in a position to say how much the Royal Engineers could be reduced; but they said the Royal Engineers were not doing much work, and that such a large number as 127, which

was the strength then, was not required for the repairs of barracks and such small things as they had to do.

You say 70 Royal Engineers are employed on the civil staff at present. I want to know whether the strength of 70 Royal Engineers at all corresponds to the numbers which were in the minds of the Finance Committee, when they recommended that military engineers should be employed on the civil staff?—I do not think so. I think this is the tenor of their recommendation. They thought that by far the larger portion of the Royal Engineers should be employed on civil duty. Moreover, they proposed that the Military Works establishment was to be amalgamated with the civil. In that case, the Royal Engineers would be amalgamated with the civil staff, and they would do military work where that was necessary, and they would do other work, civil work, when they had no military work to do.

But I do not understand from this that the Committee inquired into, or formed an opinion as to, how many men were necessary for the military works? It seems to me that the first point to be ascertained, before military men are drafted away to do civil work, is to what extent you could afford to do it; and the Committee do not appear to me, from your statement, to have taken that into consideration?—They said the information at their disposals was not sufficient to justify a recommendation on that point. But then under this scheme there would have been only one General Public Works Department, and the Royal Engineers and the Civil Engineers would have all belonged to that one Department.

But I am keeping to the military engineers; I see that out of the force which you mentioned as 127—?—70 are on the civil staff at present.

Did you not mention 127 Royal Engineers?—That was the strength at that time, yes.

Well, at present, 70 are employed on the civil staff. It does not seem clear to me at present that the real meaning of the Committee has not been given effect to, if there are 70 so employed out of 127?—Out of 273 at present; the present number is 273.

That is the total force?—The total number of Royal Engineers at present is 273.

Is 273. Well, what I want to ascertain is, whether the Finance Committee, who seem to have been rather vague upon this point, would have considered 70 out of 273 as practically satisfying their objects?—I am not qualified to express an opinion on that; but the impression on my mind, after reading what they have written, is that they would not have been satisfied. They expected a much larger proportion to be employed on civil work.



But at the same time, if they did expect it, it was a shot in the brown, because they had not taken means to ascertain how many of these Royal Engineers would be required for military purposes?—It should be remembered that their view was supported by Lord Roberts at that time—by the Commander-in-Chief.

And did he name any numbers?—No, because he also proposed an amalgamation, so it was not thought necessary to mention a special number.

Well, we will now pass on to the exchange compensation allowance, upon which, I think, you wish to offer some observations?—This allowance was granted to all non-domiciled European and Eurasian employees about the middle of 1893, and the figures for the last three years have been as follows:—

Year.				Amount in Rx.
1893-94	...	...	...	618,468
1894-95	...	...	...	1,239,275
1895-96	...	...	...	1,327,632

I have taken these figures from the Financial Statements. The allowance consists in converting half the salary of each officer into sterling at the rate of 1s. 6d. to the rupee, subject to a maximum of 1,000*l.*, and then converting it back again into rupees at the current rate of exchange. Practically, it has amounted to a general increase of salaries. Now, in the first place, it is admitted that these employees of Government had no legal claim to the compensation. The pay of the European soldier in India is fixed in sterling, and the Government have now to make to him a much larger rupee payment than before. Nobody, however, has ever suggested that this rupee payment should be reduced. If anyone had made the suggestion, he would have been told that the soldier was legally entitled to it. The guaranteed companies are now getting 5 per cent. on their capital, though they do not earn so much, and though Government can to-day borrow at the rate of 2½ per cent. If anyone were to say that 5 per cent. was now too high a rate to pay, and that the companies should be asked to be satisfied with less, he would be told “a contract is a contract.” My point in giving these illustrations if this: if existing contracts are not to be disturbed *in favour* of the Indian Exchequer, why should they be disturbed against it? Secondly, if the European employees of Government suffered from the fall in exchange, Government itself, as representing the taxpayers, suffered much more from the same cause. When such a general misfortune has overtaken all classes of taxpayers to single out a particular

class for special relief by imposing additional burdens on the remaining classes, and these not well able to bear them, was entirely unjust. Thirdly, though it is quite true that the fall in exchange has considerably lowered the gold value of the rupee salaries, the salaries themselves were so excessively high considering especially the great change that has taken place in the facilities and means of communication between England and India, that even with the fall in exchange they were very high. I think it will be admitted that non-official Anglo-Indian testimony on this point is very valuable. The Bombay Chamber of Commerce is recognised to be one of the foremost and most important representative bodies of the English Mercantile Community in India. This Chamber, in writing to the Finance Committee on the subject of reduction of expenditure in 1886, thus wrote on the subject of salaries paid to English men in India :—"The question of the salaries paid by Government to its servants is one on which the Chamber holds very decided views. The just apportionment of remuneration to the exact quality and quantity of work done may, from the standpoint of individual cases, call for very nice discrimination and intimate knowledge of the circumstances surrounding each appointment; but the chamber, having many amongst its members in a position to form a true estimate of the standard of pay necessary, at the present day of widespread education and keen and increasing competition among the members of the middle classes for responsible employment, to ensure the attainments required from civil servants, coveanted and uncovenanted, does not hesitate to say that the entire scale of remuneration, but more especially of the senior classes, is pitched at too high a level. At the time existing rates were settled, not only did the requisite educational acquirements command a higher premium than they do now, but there were other considerations calling for monetary compensation; in former days an Indian career practically entailed expatriation, officials frequently lived very solitary lives, were exposed to exceptional temptations, and exercised great responsibility. In latter years these conditions have been greatly mitigated, and in some cases thoroughly reversed. Communication with England is constant and rapid, life in India is healthier and attended with more comfort and less expense, whilst control is so centralized that responsibility is, in a great measure, taken out of the hands of officials except of the highest ranks. Under these circumstances, a revision of all salaries, but particularly those above, say, Rs. 1,000 per month is manifestly justifiable and called for. In all recent discussions on this subject the decline in sterling exchange has been urged as a strong argument for non-reduction; but in the view of this chamber that is a matter which Government should not take into account. What it has to look to is purely the

"amount it must pay under all existing conditions and circumstances, in order to secure the necessary qualified labour in this country, leaving individuals themselves to provide for the wants of their families in Europe, and their own requirements for leave. The Chamber, in fact, would go even further than this, and advocate that, under the new rules for future contracts, all civil pensions and retiring allowances should be paid in the currency of the country. India is no longer a *terra incognita* to the educated classes of England, and even under the comparatively less tempting inducements indicated above, the Chamber feels convinced that there would be no lack of suitable men ready and anxious to recruit the ranks of the service. This naturally leads to the consideration of the economy practicable by larger employments of natives. Much might, doubtless, be saved in this way, particularly in connexion with the Judicial Department, where the opening for efficient native agency seems widest. But the Chamber is not prepared to formulate, nor possibly your Committee to discuss, a settled scheme for the entrance of natives into the covenanted and uncovenanted services."

May I ask what you mean by all "classes"?—Well, the whole country, because we had to pay increased taxation, or rather we did not get the relief we might otherwise have got.

"General misfortune had overtaken all classes" would rather seem to me to mean that every class in India had suffered by the fall in exchange?—The taxpayers; I would modify it in that way.

And when you say that all classes have suffered, you mean that, in order to provide this exchange compensation allowance, money was appropriated to it which might have been applied to other better objects?—That is what I mean.

(*Sir William Wedderburn.*) All classes of taxpayers, I suppose?—I should put it like that.

(*Chairman.*) When you quote the Chamber of Commerce as an advocate that all civil pensions and retiring allowances should be paid in the currency of the country, have you turned your attention to what is done in colonies?—No, I only place before the Commission the Chamber's view.

But I presume you are supporting that view?—It commends itself to me; yes, I support it.

Do you know at all what is the rule in Ceylon?—No.

Perhaps I might mention it to you; there, I believe I am right in saying, the salaries are fixed in rupees?—I am glad to hear it.

I want to see what the Chamber of Commerce are asking in this respect?—Well, they ask for a reduction of the salaries of the civil servants.

Yes, but they say here that "all civil pensions and retiring allowances should be paid in the currency of the country"?—Yes, they go further, and say that the pensions of civil servants, which are fixed at 1,000*l.* sterling, should also be fixed and paid in the currency of the country.

That is what they mean, that this rule should be confined to the pensions paid in this country?—Yes, all pensions that are drawn in sterling should be fixed and paid in rupees; that is what they mean. I will give you an illustration: Take the uncovenanted civil servants; their pensions were fixed at *Rx.* 500 a year. In several cases they were 600, but 500 was the general rule. When the rupee began to go down, they agitated for a special concession. Sir Henry Hing espoused their cause, and in 1890 they got a special rate fixed at which rupees should be turned into sterling, namely 1*s.* 9*d.* Here were rupee pensions which were converted into sterling at a fixed rate.

That is to say, those pensions were practically fixed in sterling?—They were fixed in rupees originally but they were converted into sterling in 1890.

But from that time they were practically in sterling?—They were practically in sterling, yes.

The letter of the Bombay Chamber continues:—"All I am instructed to lay stress upon in that direction is that, when Government decide on the competence of Natives to hold certain posts, due allowance should be made in fixing their pay for the proportionate cost of living and expenditure between them and Europeans of a like grade"

Fourthly, assuming that some relief was needed, it was most unfair to give the allowance to all. I mean men who went out to India after the rupee had fallen below 1*s.* 4*d.*, *i.e.*, who accepted the rupee salaries with their eyes open, as also those who had no remittances to make to England—these, at any rate, ought not to have been granted the allowance. This indiscriminate nature of the grant constitutes, in my opinion, its worst and most reprehensible feature. No wonder after this that the Indians should feel that India exists for the European services and not the services for India. While the miserable pittance spent by Government on the education of the people has stood absolutely stationary for the last five years on the ground that Government has no more money to spare for it, here is a sum larger than the whole educational expenditure of Government given away to its European officials by one stroke of the pen.

The salaries of some of the officers are fixed in rupees by statute. The grant to these men seems to be illegal as long as the statute is not amended. The question, I understand, has

been raised, but it has not yet been disposed of by the Secretary of State. Meanwhile the allowance continues to be paid to these officers pending such disposal.

The next branch to which I would call your attention is that of Education?—The meagreness of the Government assistance to public education in India is one of the gravest blots on the administration of Indian expenditure. No words can be too strong in condemning this neglect of what was solemnly accepted by the Court of Directors in 1854 as a sacred duty. During the last four or five years the Government grant to education has been absolutely stationary. In 1891-2 it was Rx. 889,173.

(*Sir James Peile.*) Is that net or gross?—Gross; the receipts have not been deducted, but, if they were deducted, it would be still worse. In 1894-95 it was Rx. 910,972, showing an increase of only Rx. 21,800 in four years. But even this increase was only an addition to the salaries of European officials in the department in the shape of exchange compensation allowance, as may be seen from the fact that while there was no charge for this allowance in 1891-2, in 1894-5 the compensation to educational officers was Rx. 18,800. About Rx. 30,000 is the increase in five years. Side by side with this might be noted another fact, viz., that during these same four years the Government expenditure on public education in Great Britain and Ireland increased from 5 millions to nearly 9 millions sterling—the contrast is too powerful to need any comments. One cannot help thinking that it is all the difference between the treatment of children and step-children. There are more than 537,000 towns and villages in India, with a total population of about 230 millions, and yet there are less than 100,000 public primary schools for them. The population of school-going age in India is about 35 millions, out of whom only about 4 millions (including those attending private or unaided schools) are under instruction, which means that out of every 100 children of school-going age, 88 are growing up in darkness and ignorance and consequent moral helplessness. Comment on these figures is really superfluous.

I may add that in 1888 the Government of Lord Dufferin issued a Resolution, which amounted to a virtual change of policy in the matter of education. Only four years before that Lord Ripon had issued a Resolution, addressed to all Provincial Governments, urging them to increase their expenditure on education and even offering assistance from the Imperial Exchequer, where absolutely necessary. In 1888, however, Lord Dufferin directed the Provincial Governments, in express terms, to gradually reduce the share contributed by Government to public education.

(*Chairman.*) Has the Resolution been published?—Yes, it is appended to Sir Alfred Croft's review of education from 1882 to 1886. It was published in 1888.

(*Sir James Peile.*) I do not get the figures to correspond to yours?—If I get a copy of the Statistical Abstract, I will show them.

I think you have not taken education managed by local bodies?—No, of course not; that is separate altogether.

Why?—That is local taxation; it is not contributed from provincial revenues. In the Statistical Abstract itself the figures are represented separately. The first column is from provincial revenues, the second is from local rates.

But local rates, that means one-third of the cess on land revenue?—Yes, but that is for local purposes. According to your view municipal money might also be added.

Certainly?—That is not a Government contribution. The 5 Millions and 9 millions I have spoken of as expenditure in England do not include local rates.

You are merely giving what the Government itself provides out of the taxation fund?—It might be said that is local taxation, whereas this is provincial taxation.

Did you include the scholars who were taught in the local rate schools in the total that you took?—I have taken all.

(*Chairman.*) Are the 4,000,000 scholars you have mentioned out of 85,000,000 aided out of local rates as well as out of the public taxes?—And even those attending schools not aided. There are some schools in India that receive no aid from Government. Anybody who attends a school is included.

(*Sir James Peile.*) The number of educated persons has largely increased?—Well, of course they must increase in that way.

It is always increasing. It is increasing, and it began from a very low scale indeed under native rule?—That I admit. But of course the British Government should never think of comparing itself with previous Governments in such matters.

It must begin where they left off, you know?—What I complain of is this change of policy. Lord Dufferin distinctly called on Provincial Governments to reduce their educational expenditure.

On higher education?—No, on all education.

You mean that he wished to elicit the spontaneous energy of the people in promoting education. That is what he says, I presume?—He says the share of Government must be reduced, that is all he says.

On what ground? He says the work of Government is to pioneer the way; that is how he puts it. That has been done, and now these things must be left more to the people.

Was not that what Lord Ripon said four years previously?—No, certainly not.

(*Chairman*) You have not got that Despatch here?—I could give you the reference. There was the review of the education in India by Sir Alfred Croft, Director of Public Instruction in Bengal, after the Education Commission. It is the first quinquennial review published by Government, and there is prefixed to that review a resolution of the Government of India dated June 1888, passed upon it. If that volume is brought I would read it to you. I wanted to bring my copy, but it was too heavy.

While the book is being got out, perhaps we might pass on to the subject of railways?—Yes, my friend Mr. Wacha has gone into this question in great detail, and I will only add one or two observations to what he has said. In the evidence already recorded by the Commission, satisfaction is expressed in one or two places that in India the working expenses of railways form a smaller percentage of the total railway receipts than in England, and the conclusion seems to be drawn that Indian railways are constructed and worked more cheaply than English railways.

Are you putting that forth as a grievance?—No, no; I am only stating what strikes me as a conclusion not quite warranted.

The fact remains that railroads were constructed cheaply, whatever the reason?—Not cheaply as judged by the Indian standard; certainly cheaply compared with the English standard. If they used more native agency, the working expenses would be even lower. Before the Fawcett Committee the whole question was gone into. In the case of the Great Indian Peninsular the actual expenditure very largely exceeded the estimates; it nearly came to double the estimated amount. Mr. Thornton, who was Secretary in the Railway Department, I believe, has himself stated that the whole thing was done very badly and very extravagantly.

But the fact still remains that of almost all the railway systems in the world the working expenses of the Indian railways bear the smallest relation to the gross receipts; therefore that means that, as a Government speculation, it is a beneficial one?—I do not think so, my Lord, for this reason, that our wages are very low, and therefore the working expenses must be low.

Still that does not alter the fact that the undertaking is a profitable one, that is all?—I will make a few remarks on that afterwards.

I say that, if the working expenses of a railroad are 45 per cent. of the gross receipts, it shows that the undertaking is more profitable than if they are 70 per cent. ?—That is true.

I do not want to go further than that, because that is quite sufficient for me?—I might, however, state that this lower percentage of working expenses is not peculiar to our railways only, but is, in fact, a necessary condition of all industrial undertakings in India. Labour with us is very cheap, while capital is very dear, so a much larger margin is necessary for profits, and a much smaller one suffices for the working expenses than is the case in England. The mere fact, therefore, that the working expenses of Indian railways form a smaller percentage of the total receipts than they do in England does not in reality prove anything. Meanwhile it may fairly be asked, if Indian railways are, on the whole, a profitable undertaking, why do English investors, with all their enterprise, almost invariably insist on a Government guarantee of interest in one form or another? There was an excuse for the first companies requiring such a guarantee. But after so many years' experience of Indian railways, and after so many protestations, both from the existing companies and from Government, that there is a great, a prosperous, future for Indian railways, it is astonishing to see that every new scheme proposes that all elements of risk and possible loss should be shifted on to the Indian taxpayer, securing an absolutely safe, clear percentage of profit for the English investor. So long as the Indian Government has to bear a net loss on railway account, no matter from what cause, so long it is futile to represent the Indian railway enterprise, whatever may be its other advantages, as a commercial success.

Then may I take it that the conclusion you draw from this is, that it is a mistake to have made any railroads at all?—I do not say that.

I do not see, if you speak of Indian railway enterprise in these very strong terms, that any other conclusion is left to you?—I explained before that, so far as the main trunk lines are concerned, the only complaint we would make is that they have been constructed in a very extravagant manner as was given in evidence before the Fawcett Committee; but the increased activity which the Government is showing now is not required. I make a distinction between the main trunk lines and the other lines that are now being constructed.

Are you able to say that the cost of construction, as compared with railroads in other countries, is very dear?—I am not prepared to say that.



If you are not prepared to say that, is it quite fair to speak in strong terms about the extravagance?—Extravagant about what?

As I understood your words, they were that the cost of construction of the railways has been very extravagant?—Of the earliest railways. The earliest railways were constructed in a very uneconomical manner.

I did not hear you limit your criticism to the earliest railways; but, on the whole, are you prepared to say that the mileage expense of construction in India has been extravagant compared with what it has been in other countries?—Well, I have not looked at it from that point of view.

I think, from your evidence, one would gather that that was your view?—No, my view is this, that there is a net loss which the State has to bear on the railway account, and, as there is greater and greater activity, there will be even more and more.

I quite understand that you would now prefer caution; you would not go so fast; but your recent evidence has been founded upon the charge of extravagance; and I want to know whether you have actually gone into the charges, and been able to satisfy yourself that the cost of the construction of railways in India is dearer than it is in other countries, and, therefore, open to the charge of extravagance?—I fear I might not have expressed myself clearly. What I meant was that the railway lines that were first constructed were constructed extravagantly; and, so far as that is concerned, I can give some evidence; but, in regard to the lines that are now being constructed, I do not think they are being constructed wastefully or extravagantly. I do not say so; but I mean that this rushing of programme after programme is burdening us with responsibilities.

Now, with regard to the earlier railway lines, have you ever heard that the earlier lines in almost every country have been constructed at a very high rate?—That may be; but in the construction of the earlier Indian railways there was a great waste in India, which was condemned as culpable by men who knew the subject—by men like Mr. Thornton, who had been connected with railways for a long time. Bridges had to be re-constructed; there was such lack of supervision, and a great deal of money was misappropriated, and things of that kind; there was a great waste in all that.

Is that a criticism of individuals, or a criticism of any responsible body?—Mr. Thornton appeared before the Fawcett Committee as a responsible representative of the Government of India; and in 1867, when the Government decided to build on its own responsibility, it drew up a long statement of the whole case; and there also it dwelt upon the wasteful character of the

expenditure of the guaranteed companies owing to the want of proper check. These facts are all admitted by the Government. I have no fault to find with the present railway construction of Government on the ground of extravagance or wastefulness. What I mean is, that the revenues of the country are being burdened in an increasing proportion with these liabilities.

Of course there is another matter to be taken into consideration; namely, that a railroad, which opens up a country, confers considerable benefits upon the country, which may be fairly purchased even if the railroad is not worked at a profit and if it becomes a charge, in consequence, upon the taxpayer?—Yes; but that becomes then a question of which benefit is comparatively greater. I would prefer Government spending much more on education to its bearing this net loss on railways.

But that is a preference of your own?—Oh, yes.

In this case you dwell, in dealing with the railroads, upon the fact that the State has to pay a certain sum towards the expenses of the railroads, but you omit any allusion to the fact that the opening up of the country in itself is usually held to confer a benefit on the inhabitants, which benefit must be set against any such loss as that of which you speak?—But I have said in my evidence that “whatever the other advantages may be,” from the financial point of view I find fault with it. I say, “So long it is “futile to represent the Indian railway enterprise—whatever “may be its other advantages—as a commercial success.”

You say “as a commercial success.” It may be a commercial success on account of the benefit which it confers upon the country generally, even though it may cost the Government something. However, perhaps you will proceed?—I have two suggestions to offer on this subject of railways. The first is, that the time has now come when the same restrictions that now exist on the outlay of public money on unproductive public works, should be imposed in the case of these so-called productive works also; these restrictions being, that in future all Government expenditure on these works, direct or indirect, should be out of surplus revenue only, and not out of borrowed money. A new programme, costing 28 crores of rupees, has just been announced, and a private letter which I received from India by the last mail says that it has been sanctioned in spite of the protest of the Finance Member, Sir James Westland. When one remembers that the condition of Indian finance is at present most depressed, that all really important lines have been already constructed, and that many of the most pressing needs of the country, such as education, receive no attention from the Government on the ground of the poverty of its exchequer, one cannot help thinking bitterly of this reckless profusion of Government in the matter of railway construction, especially as the

Indian people feel that this construction is undertaken principally in the interests of English commercial and monied classes, and that it assists in the further exploitation of our resources. The second suggestion is that the guaranteed railways should be taken over by Government at the first opportunity in each case, without exception. The waiver of the right to take over the Great Indian Peninsular Railway 20 years ago was very unfortunate. Apart from the loss entailed by the high guarantee, by the unfair manner of calculating the surplus profits, and by their calculation six-monthly instead of yearly, there is another very deplorable loss which the Indian exchequer must bear in the matter of these guaranteed railways. The shares of these companies are at a high premium, and that is due, in great measure, to the Government guaranteeing a high rate of interest. The premium thus is, to a considerable extent, only artificial, and yet Government must pay it when it has to take over these railways.

That really means, does it not, that you would put a stop to railroad extension now almost entirely?—Unless funds can be supplied out of revenue.

Quite so; but the surplus having been comparatively small, it would mean, would it not, that practically no railroads would be made?—If it comes to that, I would be prepared to accept that.

(*Sir William Wedderburn.*) Looking to the very difficult position of Indian finance, you think that railways are a luxury for which the country can wait a little, though they do desire them?—That is my view; that is also Sir Auckland Colvin's view.

(*Chairman.*) Would you really impress it on the Commission that the Secretary of State and the Government of India have undertaken these railways principally in the interests of English commerce and commercial monied classes; is that a direct charge of yours?—That is the impression in India, because the facts are there. Whenever a Viceroy goes out to India there is a deputation that waits on him, and they put pressure upon him to construct these railways, and he makes a promise, more or less, that he will do his best. There is no feeling in India that there should be these railways—the Finance Member is opposed to them. The Famine Commission recommended that 20,000 miles of railways would be practically sufficient, so far as protection from famine was concerned—that total has been reached, and still there is a new programme of 28 crores.

(*Sir James Peile.*) Not for protective lines?—I have not caught the question.

The programme of 28 crores contains no protective lines?—We do not want any more of these lines; spend more on education.

for the present, and afterwards on railways. You are going in one direction and going in no other directions. All these railways cannot be a disadvantage—I am prepared to admit that—but it is a question as to which advantage is greater.

(*Chairman*.) And do you hold that the Viceroy is only a registrar of what the commercial classes here choose to tell him?—Not choose to tell him, but the pressure is felt by the Secretary of State owing to the peculiar position of English politics.

You do not think it possible that the Viceroy may think this policy for the advantage of India?—It is difficult to put the thing exactly that way. I rather hesitate to put the thing as strongly as that, but more or less that is the impression.

But you have stated that this construction is undertaken principally in the interest of the English commercial and monied classes?—That is what we feel.

And I think anybody listening to that must feel that you are yourself supporting the idea that the Viceroy was not doing this mainly in the interest of the Indian public, but principally in the interest of the monied classes here?—That is the only conclusion, that we can derive from certain facts. I will mention one. In 1879 a Parliamentary Committee sat to inquire into this subject of public works. Well, after a great deal of careful inquiry they recommended that 2½ millions a year should be the limit of borrowing for Indian public works. Of course, the Secretary of State and the Government of India between them can alter this limit; and, as a matter of fact, they have not been acting up to that limit lately. This new programme of 28 crores, which is to be finished in a short time, also shows that they are setting aside this limit; so the impression that we have is that it is all undertaken more in the interests of the commercial classes.

(*Sir William Wedderburn.*) Has any great native association, like the Indian National Congress, ever pressed for that rapid extension of railway communication?—Never.

In the 12 years in which they have made representations to Government, that has not been included in their programme?—Never.

Therefore, you assume that it has not been owing to Indian pressure, but it has been owing to English pressure that this activity has gone on?—Yes. That is my view.

(*Chairman.*) Now we come to the Famine Insurance Fund?—All statistics on the subject of this fund are already before the Commission. Of late years, there has been a great deal of controversy as to the real object with which the fund was created. I think the best evidence that I can offer on this point

is to quote the following extract from the Report of a Parliamentary Committee, which examined in 1879 the subject of public works in India, and of which Lord George Hamilton was chairman:—"During the financial years 1877-78 and 1878-79 additional taxation was imposed on India in order to establish an annual Famine Insurance Fund of 1,500,000 *l.* That amount was fixed with reference to the famine expenditure, which, during the last six years, had amounted to the enormous sum (excluding loss of revenue) of 14,487,827 *l.*, of which a very large portion had been met by borrowing."

(*Sir James Peile.*) Will you tell us what that taxation was: you say taxation; what taxation? The special taxes that were imposed by Lord Lytton.

What were they?—Well, the license tax was imposed, the officers of Government and certain other classes were exempted, but then the traders and such other persons were taxed; it was known as the license tax.

The question is what the license tax Act said; was it said in the Act that it was imposed to establish a fund of 1,500 000 *l.*?—Well the proceeds of the license tax were to form a famine fund.

Was it mentioned at all or referred to in the license tax Act?—I cannot say exactly what was contained in the Act itself, because I never thought anything of that.

It would all depend on that, would it not?—I have read the Viceroy's speech.

The object of the taxation would be stated in the legislation which established the tax?—I have read the Viceroy's speech and Sir John Strachey's speech on that occasion.

(*Sir James Peile.*) I gave in Mr. Wacha's evidence the preamble of two Acts which were passed in 1878 or 1879, one for the North-West Provinces and the other for the Punjab, in which I showed that the taxation was imposed—local rates it was—to strengthen the general finances in order to enable them the better to deal with the relief of famine. It was not said the taxes were set aside as part of the Famine Fund, as it is called.

(*Mr. Naoroji.*) You are reading now an extract from the report of the Parliamentary Committee?—I quoted from a report by a Parliamentary Committee, of which Lord George Hamilton was president.

(*Chairman.*) Yes, but I think the legislation itself is better evidence than what somebody said about it?—It depends on the view you take of the matter. I have in my hand here a despatch written that very year by the Secretary of State to the Government of India on this same subject of famine insurance.

Lord Cranbrook there also uses precisely the same language. I will read from that after I have finished the extract from the Committee's report, but he uses precisely the same language.

Yes?—This is what the Parliamentary Committee says:—  
 “The object, therefore, of this Famine Insurance Fund was, by  
 “increasing the revenue, to avoid the constant additions to the  
 “debt of India which the prevention of periodical famines would  
 “entail, by either applying that increase of income to works  
 “likely to avert famine, and thus obviate famine expenditure, or  
 “by reducing annually debt contracted for famine, so that if famine  
 “expenditure should again become inevitable, the reduction of  
 “debt made in years of prosperity would compensate for the  
 “liabilities incurred during scarcity. This increase of taxation  
 “was sanctioned by the Secretary of State in Council on this  
 “understanding. Last September, the Home authorities received  
 “a despatch from the Indian Government adverting to the  
 “difficulty of discriminating between works strictly productive,  
 “and those only admissible as providing against the effects of  
 “famine, and proposing ‘to accept a yearly maximum dead-  
 “weight charge to be fixed, as experience may suggest, for works  
 “constructed as productive, whether under the existing strict  
 “conditions, or, as now proposed, in order to prevent famine or  
 “give protection from famine, or diminish the expenditure for  
 “the counteraction of famine, if it occurs.’ In other words,  
 “they would limit to a specific maximum amount the net ex-  
 “penditure for the interest on the capital cost of all such works  
 “and their maintenance, after setting off all the net income  
 “yielded by the works.’ In addition to the annual loss entail-  
 “ed by their net existing liabilities, they proposed to add an  
 “annual sum not to exceed 25 lakhs of rupees, and they thought  
 “that that amount might form a primary charge upon the  
 “Famine Insurance Fund ‘on the consideration that the con-  
 “struction of any works not fully productive, according to the  
 “existing definition, which may be thus facilitated, will cause  
 “an equivalent reduction of the ultimate liability on account of  
 “famines when they occur.’ The first portion of this proposi-  
 “tion has been already suggested by the Indian Government in  
 “1876, and rejected by the Secretary of State in Council. The  
 “latter part of the suggestion by which it is proposed to  
 “permanently assign 25 lakhs of rupees of the Famine Insur-  
 “ance Fund, in order to raise money for the construction of  
 “famine works, not fully productive, is an entire inversion of  
 “the object for which the fund was raised. This increase of  
 “taxation was justified as necessary, in order to meet, as far as  
 “was possible, famine expenditure for the future out of income;  
 “but to immediately appropriate a portion of the income so  
 “raised to pay the interest of new loans was a proposal which,  
 “in the opinion of your Committee, the Secretary of State in  
 “Council had no option but to reject.” Lord George Hamilton

is now Secretary of State for India, and, judging from a recent debate in the House of Commons, his Lordship seems to have forgotten what he wrote in 1879 as chairman of that Parliamentary Committee. The Indian people, however, have a better memory. There is another document that I would also put in here with your Lordship's permission,\* and that is a despatch written by Lord Cranbrook on the 20th February, 1879, on this same subject of the Famine Insurance Fund, and therein he expresses precisely the same views. In paragraph 6 he says:—"It had been laid down by Lord Northbrook in 1874, that, besides a fair surplus of income over ordinary expenditure, such a margin should be provided, in addition, in ordinary times, as shall constitute a reasonable provision for meeting occasional expenditure upon famines"; and in referring to the subject in the debate of the 27th of December, 1877, Sir John Strachey mentioned the argument of Lord Northbrook, 'that, if this surplus were devoted to the reduction of debt, or to preventing the increase of debt for the construction of reproductive or public works, in years of ordinary prosperity, there would be no objection to the public expenditure exceeding the public revenue in occasional years of adversity, so that we might then, without objection, meet the charges on account of famine from borrowed funds, to the full extent to which our surplus had permitted the discharge of debt or prevented its increase.' Then Lord Cranbrook proceeds to say:—"The cost of the famines was estimated, on an average of years, at about 1,500,000*l.*, and provision was made for meeting this expenditure by measures of financial decentralisation, and by new taxation. 'The Government of India,' said Sir John Strachey, 'intends to keep this million and a half as an insurance against famine alone; . . . we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose; and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.'" That is a quotation from Sir John Strachey's speech which Lord Cranbrook has given here. Then he proceeds to show how the hypothecation of 25 lakhs of rupees would be an inversion of the fund. The whole thing is, in fact, stated as we have it there in the Parliamentary Committee's report, which I have already quoted. Further, in 1884 there was another Parliamentary Committee on Indian Railways, and this Committee also went into the subject of the Famine Insurance Fund. Lord George Hamilton was also a member of this Committee, Mr. Arthur Balfour was a member, the late W. H. Smith was a member. This Committee of 1884

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\* Appendix No. 79.

wrote about this question as follows :—"Having regard to the certain recurrence of periodical famines, and being of opinion that the cost of famine reliefs should not be added to the permanent debt of the Company, the Government of India established, in 1878, an annual Famine Insurance Fund of 1,500,000*l.* This sum was fixed upon the calculation that famine reliefs would cost, in every 10 years, 15,000,000*l.* And the additional taxation required to provide the Famine Insurance Fund was sanctioned by the Secretary of State in Council, on the understanding that the revenue thus raised should be applied to the construction of works likely to avert famine, or to the reduction of debt contracted for famine expenditure. Proposals have more than once been made by the Government of India to hypothecate a portion of the annual Famine Insurance Fund to the payment of interest on money borrowed for the construction of railways. But the Secretary of State in Council has declined to sanction these proposals, and the Select Committee of 1878-79 were also of opinion that the appropriation of a part of the Famine Fund for the payment of interest on loans raised to be expended on famine works, not fully productive, would be an entire inversion of the object for which the fund was created." They repeat that again later on too; that is the gist of the whole thing.

(*Sir James Peile.*) That is all very well, Mr. Gokhale, but has not that been substantially carried out?—No. You pay now the interest of the Bengal Nagpore and Indian Midland Railways out of the Famine Insurance Fund.

That is looked upon as a protective line, but that is a small item. What I wish to draw attention to is the statement made by Sir James Westland in the last financial statement. You saw, no doubt, that in 15 years 17,500,000 *l.* of famine grant surplus had been actually expended. You object to one item, but I think there were 10,000,000 *l.* on railways and 5,000,000 *l.* on the redemption of debt, the total being 17,500,000 *l.* in 15 years. Now, there was no absolute legal obligation to put aside the 1,500,000 *l.*, whether there was a surplus or not. There must be a surplus before you can put it aside, and the Government of India have actually managed to put aside 17,500,000 *l.* in 15 years; also they have lately decided that, the protective railway being now completed, it is no longer necessary to put aside so large a sum as 1,500,000 *l.* surplus, but that 1,000,000 *l.* would suffice. I want to know what your grievance is?—I believe Mr. Jacob has given all the figures connected with this, and they are published in one of the appendices of the first report of this Commission. There the figures are given from 1879 or 1880 up to the present. During five years, during Lord Dufferin's time, the allotment for the famine grant was very small; and then for several years



past this hypothecation of a portion for paying the interest on railways, which was expressly condemned by two Parliamentary Committees, and by the Secretary of State twice, has been also now allowed, and our grievance is in respect of this; when the fund was first created, it could be devoted to two objects only, namely, either to capital expenditure on the construction of productive public works, or to paying of debt; on no third object was it to be used.

Not on direct famine relief?—I beg pardon, that was, of course, implied; in fact, Lord Cranbrook called on the Indian Government to transmit every year half the money to England to be invested, or paid off in discharge of previous liabilities; that was the original idea of the fund. How the fund is now administered is well known.

(*Chairman.*) The Government of India has changed its view on certain matters; it is not bound not to change its view as long as it maintains a sufficient reserve?—No doubt; but special taxation was imposed.

(*Sir James Peile.*) I combat that, and ask: is there a special taxation?—There is.

There is the law?—And there are the speeches of Sir John Strachey.

And there are the Acts?—I should take my view of them from—

More from what people say than from legislation?—More from what a responsible Secretary of State says.

Than from the legislation itself?—I have not seen the Act; I cannot say anything.

You have not looked up the Act?—I did not think anyone would dispute what the Secretary of State himself had said about his own object.

Not when he legislates and puts his thoughts into an Act. Is not what he says in an Act more important than what he says as an *obiter dictum*?—Here he distinctly says that the legislation was sanctioned on this understanding; the understanding of the Government of India would not appear in the Act.

Your claim is upon a pledge given by the Government, not upon any legislation?—Yes.

(*Sir William Wedderburn.*) It is not upon any legislation, but it is upon a personal pledge given by the Government that they were raising the money for a special purpose, and making it a sacred trust. That is your ground?—Yes.

The Government never made it a sacred trust: such words were only used?—Lord Lytton said, “to say anything else is to insinuate a calumny”; those were the words he used.

(*Chairman.*) There have been quotations made from Sir John Strachey, but I think it rather interesting to take the whole of his statement. Sir John Strachey, in explaining, on the 27th of December 1877, to the Legislative Council in India the measures that had been taken, said:—“It is the firm intention of the present Government to apply the funds now to be provided for this special purpose, strictly to the exclusive objects which they were designed to secure. In such matters, no doubt, Governments cannot fetter their successors; and nothing that we could now say or do would prevent the application of this fund to other purposes. Without thinking of a future far removed from us, events might, of course, happen which would render it impossible even for us, who have designed these measures, to maintain our present resolutions. So far, however, as we can now speak for the future, the Government of India intends to keep this million and a half as an insurance against famine alone. In saying this, I should explain that we do not contemplate the constitution of any separate statutory fund, as such a course would be attended with many useless and inconvenient complications, without giving any real security. Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose”; and this is the point which has been relied on after the statement that has been quoted:—“And I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.” Here, in the speech in which Sir John Strachey explains the Bill which he is going to bring in, he especially says that, if it should be proved by experience in the future that the annual appropriation of a smaller sum will suffice, it may be varied, and, further than that, he expressly says that he cannot bind future Governments. Now, I do not think you can say that such a speech as that creates a sacred trust which can never be departed from. And, further than that, I would ask you this: Would you really mean to say that because a statesman said, 20 years ago, that a certain charge is necessary, that that statement is to be binding for all time?—In regard to the first part of your Lordship’s question, I may say I was aware of that quotation from Sir John Strachey’s speech. It was used in the recent debate by either Lord George Hamilton or Sir Henry Fowler. I was careful, therefore, not to make any quotation from Sir John Strachey myself. That quotation is one given by

the Parliamentary Committee and another by Lord Cranbrook himself, and I only read those two extracts; but Sir John Strachey was there only speaking as a member of Council; Lord Cranbrook, however, showed on what grounds the formation of the fund and the imposition of the tax were authorised by him. I believe that ought to dispose of that first question. In regard to the second, I quite admit that a mere declaration made 20 years back need not always be binding, but the Government should openly come forward and say so. When Lord Dufferin, for instance, wanted to take away a large portion of the Famine Grant, what he should have done was this: he should have formally announced that the Famine Insurance Fund, for which extra taxation was imposed, no longer could be contributed to in that manner. In fact, what the Government did was to take advantage of the Famine Insurance Fund in that year, and escape the additional unpopularity which would have come to them, if this fund had never been created, from the imposition of new taxes. If there had been no Famine Insurance Fund in 1886, Lord Dufferin would have been compelled to put on certain extra taxes, when he wanted extra expenditure. But, having been able to take advantage of the Famine Grant as it stood, they escaped that unpopularity.

Now, it appears to me to be the judgment of the Government at present that the end for which the Famine Fund was established has been accomplished, that this sum of 17,000,000*l.* which has been applied, has accomplished the end, and that they are in a position now to reduce the annual sum to 1,000,000*l.* What do you say about that? Do you consider that they are entirely wrong that the works up to the present are not sufficient, and that this dictum of 20 years ago is to be as if it were a sacred communication from on high which is never to be departed from, namely, that 1,500,000*l.* in good weather or bad weather, adversity or prosperity, is to be spent by the Indian Government, whether it is wanted or not?—I do not say that, but I would say this, that the reduction of the Famine Grant from 1,500,000*l.* to 1,000,000*l.* was decided on about a year and a half or two years ago, when the present famine had not visited the country; in fact, the Government seemed to think that, because for a few years there had been no famine, therefore they need not take that possibility into account. The present famine has profoundly modified the situation; I should expect a change of view in the Government.

(*Sir James Peile.*) They never said they thought that there would never be any more famine?—They have not said that, but they thought they had made adequate provision for famine.

Did you see what Sir James Westland said as to the results of the Famine Grant, that, though the present famine is a very much more widely extended one than the famine of 1876, ye

the Government anticipated that the expenditure would be considerably less; and that he attributed to the construction of protective railways from the Famine Insurance Grant?—That remains to be seen; if the famine extends over two years as it did 20 years ago, I fear things will be too horrible to think of. That is my view.

It is not necessary to assume that, in order to give a dark colour to the picture?—I do not want to, but you must compare like with like. That famine lasted two years; how can you compare that with this famine?

That is not what Sir James Westland did?—I have not read that speech; surely he would not compare two years with one.

(*Sir William Wedderburn.*) If the Government determined to vary that original arrangement and reduce the 1,500,000*l.* to 1,000,000*l.* do you not think it would have been a reasonable thing also to reconsider the special taxes, by which that money was raised, and, if only 1,000,000*l.* was wanted, to reduce the taxes that were to produce that sum?—Yes.

(*Chairman.*) I have a paper before me, which Sir William Wedderburn gave me, on the subject of the Famine Fund, and it carries the receipts from assessed taxes up to 17,000,000*l.* I am informed that that column is not a correct one. First of all, it leaves out the local assessments which were made for the purpose, and, next, it includes the extra money which was obtained when the license duty was converted into an income-tax; and I am informed that practically these extra cesses and these license duties, at the rate at which they were imposed under the Bill of Sir John Strachey, would not amount to more than 1,000,000*l.* a year?—My Lord, the Secretary of State, writing at that time, admits that the extra taxation was intended to raise this sum of a million and a half. That puts the Indian Government out of Court, I believe, on this point; it is too late now to say that the extra taxes raised less than that amount.

I do not think it is so, begging your pardon; what I believe to be the case is that he put the insurance against loss of revenue and actual expenditure on famine at not less than Rx. 1,500,000. The first step taken to meet this charge was to extend the system of decentralisation of provincial finance, by which the Imperial revenue was relieved by about Rx. 400,000 a year; that is to say, Rx. 400,000 was added to the Imperial surplus. This left Rx. 1,100,000 to be obtained by taxation, and the extra taxation imposed was, therefore, to be Rx. 1,100,000 for this purpose, and, as a matter of fact, Rx. 1,100,000 was the produce of the extra taxation?—I would only make one observation, if your Lordship will allow me; I accept those figures which have been just now given by your Lordship. What I mean to say is that that is comparatively a small point. My complaint is two-fold. First of all, they have been paying interest out of the fund, which was

repeatedly declared to be an entire inversion of the fund; secondly, when they first diverted the fund to other purposes, they never made an express declaration that they were so doing, which they were bound to make in view of the pledges which they had given before.

(*Sir James Peile.*) I want to revert for a moment to what I said about the resources of the people in time of famine, as shown in the ornaments being sent to the mints?—Yes.

I wish to read a paragraph from the Indian Currency Committee's Report: "During the period of the great famine of 1877 and the following years, large quantities of silver ornaments were minted. In three years no less than Rx. 4,500,000 were thus turned into money"—How much?

Rx. 4,500,000?—But for what population?

That you may take as a general statement. The famine affected the people in Madras and Bombay?—But it would indicate a very small amount of relief.

That is not the question?—Then what is it?

(*Sir William Wedderburn.*) But from the fact of their ornaments having been sacrificed in the last famine we may assume that they are in a less favourable position to meet the present famine?—Certainly.

(*Sir James Peile.*) Why?

(*Sir William Wedderburn.*) Unless we know that they have been replaced.

(*Sir James Peile.*) But do you know that they have not been replaced?—You must also look to the habits of the people. The parting with ornaments in our case is like parting with hats and clothes and other things looked upon as necessary by the English people.

(*Chairman.*) The Indians are luxurious?—My Lord, it is only a small ornament here and there. But your Lordship may calculate how much that Rx. 4,500,000 is per head. The people live in the most simple manner possible. Each girl that is married feels that she must have some small silver thing.

It shows a taste for luxury, which is expensive?—They spend next to nothing on their daily wants, and on their clothes and other things.

But, with regard to what Sir William Wedderburn says, I think we have what looks very much like a proof that these ornaments have been replaced, because a very large amount of silver and gold has gone into India, which has not, as far as our returns go, been exported?—But who has absorbed that, that is the question. What classes have absorbed the gold and silver?

It only shows, as I say, the great taste of the Indian people for ornaments, which is a form of luxury?—Just in the same

way they have to spend large amounts on funerals. They groan under the system, and have to go to the money-lender; but they must do it; it is the social life of the people.

(*Sir William Wedderburn.*) For a respectable Hindu woman to give up all her ornaments would be like a woman in this country parting with her wedding ring, so to say?—Yes. That would be a proper parallel.

(*Chairman.*) Now, would you pass on to the Civil Departments of the Bombay Presidency?—Yes, I now come to a criticism of the Civil Departments of my Presidency, on which subject, I understand, the Commission would like to hear my views. I may mention that a very exhaustive memorial criticising the working of these departments, from the financial point of view, was submitted in 1866 by the Poona Sarvajanik Sabha, of which I was Hon. Secretary for seven years, to the Finance Committee appointed by Lord Dufferin. In so far as the situation has undergone no change, that criticism has only to be briefly repeated on this occasion. Where the situation is altered, I must modify our observations of 10 years ago.

*General Administration.*—The total charge under this head in 1884–85 was about 12½ lakhs of rupees. In 1894–95 it was over 14½ lakhs. A large part of the increase is due to exchange compensation allowance. About half a lakh is due to the transfer of the charges of the Inspector-General of Gaols, Registration, and Stamps to this head. The increase in the Civil Secretariat is striking, being about Rx. 6,000. The expenses of the staff and household of the governor have also increased from Rx. 8,600 to over one lakh. It has long been felt that the Bombay expenditure under both these heads is on an extravagant scale. In Madras they manage things much cheaper. Madras is a larger Presidency than Bombay, and yet, in 1894–95, its Civil Secretariat expenditure was only Rx. 39,640, as against Rx. 41,400 for Bombay. Similarly the staff and household expenditure in Madras in that year was Rx. 4,600, as against Rx. 10,700 for Bombay. On this point I would suggest that the staff and household allowance in Bombay should be commuted into a lump sum of about Rx. 6,000 a year. The intermediate supervising staff of Commissioners of Divisions also comes under this head. Its cost in 1894–95 was over 3½ lakhs. This item of expenditure is a very heavy and perfectly needless drain upon the revenues. This institution of the Commissioners introduces an unnecessary step between the district and the headquarters of government, causes culpable delay in the speedy despatch of public business, and is opposed to the proper efficiency of the district government. The Commissionership of the central division was, moreover, created 20 years ago, in consequence of the pressure of famine, and it ought to have been abolished as soon as the pressure had disappeared. *Land Revenue Administration.*—The charges under this head are about

65 lakhs and have for some years past been more or less steady. In the presidency proper there are 12 senior and 9 junior collectors, with 41 assistant collectors. There is besides a large number of supernumeraries. Then there are about 50 deputy collectors and a large number of mamlatdars, one for each taluka. On an average, each district has one collector, two assistant collectors, one or two supernumeraries, and two deputy collectors, with a mamlatdar for each taluka. When the Revenue Department was first organised, the other Departments of the State were not formed, and the Revenue officers were the only officers whom Government could regard as its principal executive officers. Collectors therefore found it almost impossible to conduct their duties efficiently, and their staff had to be strengthened by the addition of assistant collectors; but during the last few years, most of the other Departments have been fully organised, and each Department has now its special staff of administrative and executive officers. Under these altered circumstances, therefore, there no longer exists the necessity of maintaining the staff of assistant collectors under the District Revenue Officer, except so far as the necessary provision of training some few covenanted civilians for district work might require. For this purpose, one instead of two or three—the present number of assistants—would be more than sufficient. This change, without affecting the efficiency in the slightest degree, will relieve the State of needless and costly burden. The district in India is the proper unit of administration, the collector being the chief representative of Government in the district. The present scheme of district administration, however, is radically defective, and entails a large waste of public money. The great multiplication of Central Departments which has taken place in recent years has, while imposing a heavy strain on the finances, considerably weakened the position of the collector, and the machinery of administration has, in consequence, become much more vexatious to the people than it was before. The great fault of the existing system is that the number of inspecting, controlling, and supervising officers is wholly out of all proportion to the number of real workers. Government, in all its departments, fixes the salaries of its officers high enough to show that it trusts these officers, and expects from them efficient and conscientious work; but, after showing this mark of confidence, it imposes check upon check, as if no officer could be trusted to do his duties. Perhaps, such a state of things was inevitable in the early days of British rule, when everything had to be properly organised, and various administrative reforms had to be carried out. But now that things have settled themselves, and most of the work done is comparatively of a routine character, it is a sheer waste of public money to maintain such a system of checks and over-centralization. I have already spoken of the Divisional Commissioners, who are at present only a fifth wheel to the coach.

In the North-West Provinces, Punjab, and Bengal there are, besides the Commissioners of Divisions, Revenue Boards of two or three members. This double or treble machinery serves no useful purpose beyond a nominal but very often vexatious check. It may be admitted that some check is necessary, but too much check defeats itself by becoming either vexatious or nominal or both. What is wanted is a check more real, by its being more on the spot. The district being a unit of administration, the collector's position should be that of the President of an Executive Board, consisting of his Revenue, Police, Forest, Public Works, Medical and Educational assistants, sitting together each in charge of his own department, but taking counsel in larger matters with the heads of the other departments under the general advice of the collector-president. To this Official Board the Chairmen of the District and Municipal Boards may be joined as non-official representatives. These 10 members, thus sitting together, and representing as many departments, would form the best check on each individual department. With such a self-adjusting, simple, and effective system at work, the present complicated and less efficient system of check and overcentralisation might be dispensed with to the great relief of the people and of the finances of the Presidency. In fact, just as they have now got provincial decentralization, so if there was district decentralization, things would evidently improve.

The next point in your paper, Mr Gokhale, is the Forests?—Yes. The expenditure under this head was Rx. 96,400 in 1891-2. In 1894-5 it was Rx. 103,400, an increase of Rx. 7,000 in three years. The increase was mainly due to exchange compensation allowance. The administrative charge in this department is excessive. The salaries of the conservators, deputy conservators, and assistant conservators, who, with the exception of one man, are all Europeans, amount to no less than 3½ lakhs of rupees, or one-third of the whole expenditure. The Department, moreover, is working in a most unsatisfactory manner, causing immense discontent and irritation among the rural classes—a discontent gradually culminating in some parts in outbreaks of lawlessness. It also comes frequently into conflict with the Revenue Department. If the work be handed over to and placed under the charge of the collector with a forest assistant, its operations will be much less vexatious to the people, the conflict between it and the Revenue Department would be avoided, and the arrangement would result in a saving to the State. The Forest Department is at present controlled by three conservators, 19 deputy conservators, and nine assistant conservators. There are, besides, about 20 extra assistant conservators. This excessively costly staff could now be reduced and replaced by much cheaper agency, if the suggestion made above were carried out. Moreover, the work done by the lower-paid establishment should be, as far as possible, handed over to the village officers.



who would do it much more efficiently and cheaply, as a small increase in their existing remuneration would be deemed by them as adequate payment for the extra work. Forest, irrigation, and agriculture are all at present separate departments, each working in its own orbit, though they all are supposed to discharge duties practically allied to each other. The promotion of the agricultural industry of the country is the common object of all; but, the departments being separate, work on their own lines—not always convergent to the main end. And there is necessarily a considerable waste of funds and effort. Even under the existing system, if these departments were amalgamated, one supervising establishment would do where we now have three. The change will be attended with advantage to the agriculturists and relief to the finances of the country.

Do forests cover a large space in Bombay—I understand that it is to Bombay that you are addressing your remarks?—Well, they cover a fair proportion, I believe; I do not think that the forests are themselves excessive. I am in favour of having large forests; but the manner in which the forests are worked is what I find fault with.

You are not opposed to the protection of forests?—No, I am not.

The great forest district is Madras, is it not? I am not quite sure about that.

When you say that the manner in which the Forest Code is applied causes great discontent and irritation among the rural classes, gradually culminating in some parts in outbreaks of lawlessness, does that arise from the fact that, until the Forest Department was constituted on its present footing, great waste of forests was taking place, and that the local inhabitants resent any interference with their power of waste? Or do you think that it is possible to preserve the forests completely in the interests of India without arousing such a feeling?—This used to be the ground of complaint at one time, when the Forest Department was first formed; now the people have got used to that. But the principal complaint now is that the department tries to work itself as a department of revenue; and, therefore, the poorest classes, the lowest tribes who live a nomadic kind of life in the forests, who gather fruit and small branches of trees that fall down and so on, and sell loads of small wood in bazaars, are being retained from doing these things. Their ordinary source of livelihood is thus being stopped to them, and they are now taking to assaulting Government officers, which is a very serious thing. Only a few months back there was an outbreak in the Kolaba district, and there was another outbreak after that. The Deputy Collector was assaulted and the poor, ignorant people exacted from him a bond in writing that they would get cheaper food grains and salt, and that they would be

allowed to take wood and all that sort of thing. The manner, in which the Forest Department is worked is so entirely unsympathetic that the people are feeling greatly irritated.

When you speak of the Forest, Irrigation and Agriculture being at all present separate departments, each working in its own orbit, though they are all supposed to discharge duties practically allied to each other, may it not fairly be said that forestry is a special science?—Yes, that is so; but forests are for the benefit of agriculture; that is the principal object of forests, and under my scheme, if the Collector was made the supreme authority in the district, he might have a Forest assistant and an Irrigation assistant and an Agricultural assistant.

You do not propose to send the Agricultural assistant, who knows nothing about forestry, to take care of forests?—Oh, no, not at all; I only want the Forest assistants' conflict with the other departments to cease, which would be secured if they were all subject to one man, subordinate to him.

Now what would you wish to tell us upon the subject of the police?—The charge under this head in 1894-95 was over 56 lakhs of rupees. In 1892-93 it was less than 51½ lakhs. The increase is chiefly due to the reorganization scheme carried out in 1894 at an annual cost of over 4 lakhs for the Mofussil police, and about 1 lakh for the police of the Presidency town. As in the case of several other departments, this department is largely over officered in the upper staff. In 1884, the inspector-generalship of police was created with a salary of 2,400 a year. The creation of this office was not favoured by the Government of India itself for a long time, but it yielded at last to the persistent pressure of the local Government. This needless centralisation, in addition to being expensive, has disturbed the harmony which previously prevailed in the district administration, when the district police officer was a direct subordinate of the collector of the district. The police department had no policy of its own to carry out and it may well remain directly of the district. I may mention that men like Sir Barrow Ellis were strongly opposed to the creation of the inspector-generalship. The superior staff has been constantly on the increase. In 1879 the number of district superintendents and assistant superintendents was 22. In 1886-87 it was 30. It now stands at 38, all Europeans. There are, besides, about nine probationers. The institution of the grade of police probationers has all along been regarded by the Indian public as a great scandal, and evidence was offered before the Public Service Commission that all the 13 probationers that had till then been appointed were relatives of persons occupying high posts in the administration, men who had failed in qualifying themselves for any other career.

(*Sir James Peile.*) There are no probationers now, are there?—Well, last year there were two or three appointed.

No probationers; by probationers you mean men appointed in India by the Provincial Government?—I do not know by whom appointed, but the civil list of January gives three appointed last year.

From England, I think?—I know that the condemnation of the appointments by the Provincial Government has led to a change; but how far the change has gone, I am not in a position to say.

(*Chairman.*) The probationers are Europeans?—Oh Europeans, of course. But while the superior staff is excessive and too costly, the lowest grades in the department, the class of constables, requires large improvement. A much better type of men must be attracted to the ranks by offering adequate inducement. It is no exaggeration to say that the Indian police of the present day, outside the Presidency towns, are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery to the bulk of the people. They are often found to be themselves actively aiding and abetting crimes, especially crimes connected with property. Outside the Presidency towns there is no detective service worth mentioning. A large increase of expenditure is necessary, if the department is to be effective for protecting, and not harassing, the general population.

(*Sir William Wedderburn.*) The quality of the rank and file would be very much improved if there were a reasonable prospect of good promotion?—I should think so.

A better class of men would come into the service?—Yes.

And if the positions that have been given to police probationers were given to experienced men who had worked their way up, that would do a good deal to improve the style of men in the police?—Certainly.

(*Chairman.*) Roughly speaking, what sort of number is the police force in the Bombay Presidency?—I should like to refer to the latest Administration Report before answering that question.

Could you not give us any idea; is it 10,000, 15,000, 20,000?—I must consult the Report; I have got one here; but I believe last year, when the new reorganization scheme came on, they made additions also to the lower ranks.

(*Sir James Peile.*) The reorganization was made lately?—Last year; they offered a little better pay also.

And in other provinces also the police has been reorganized, lately?—I have read so in some newspapers, but I do not know anything definitely.

There is a movement generally towards reorganization; improving the pay, or both the promotion and the pay?—And so far that is good.

(*Sir William Wedderburn.*) The Provincial Governments would be glad enough to do it, if they had the money, I suppose?—Certainly, and therefore we are fighting for more money being given to the Provincial Governments.

(*Sir James Peile.*) The proposals to reorganize the police of a province come up to the Government of India and are approved by them, and come to the Secretary of State to be sanctioned. If he sanctions them, an arrangement is made about the money; the money is made available by the Government of India for the use of the province?—I do not think so: the Police Department under the decentralization scheme is entirely a provincial department.

Certainly; but, if new expenditure is countenanced by the Government of India, they make an arrangement for supplying the money?—They have not done it in the case of these five lakhs. Not only that, but the exchange compensation threw a large portion on the Bombay Presidency not contemplated at the time of the contract.

Is it five lakhs in Bombay?—Five lakhs in Bombay; I think they thought it too small to need special assistance.

(*Sir William Wedderburn.*) You mention that, as a body, the district police are an unscrupulous and corrupt body. Is not it a very great argument for the extension of local self-government, that it gives the power in the villages to the respectable villagers, instead of to these men who are picked up in the bazaars, and whose object is to get more power rather than to do any good work?—Yes, that is so.

(*Chairman.*) The police force in Bombay appears to be very nearly 19,000; of that, may I take it that 38 are Europeans?—No; 38 is the number of the Superintendents and Assistant Superintendents.

Yes, then we come to the inspectors; are the inspectors European?—Some of them are Europeans and some are natives. Their salary stops at 250 rupees a-month.

I suppose not many inspectors are Europeans?—There are some inspectors who are Europeans. I know of some. I believe it is about half and half. I am not quite sure, but it would be like that.

There are 277 deputy inspectors; are they natives or Europeans?—The deputy inspectors, I believe, must be natives for the most part.

And the sergeants or head constables?—They must be all natives, except a very few in the Presidency town.

When you say of the police that they are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery, I find that this large force of men is chiefly officered, except quite at the very top, by native officers. Does that look to you as if the native officers were very competent?—That is not my point, my Lord, my point is that the rank and file consists of such a low class of men that it is impossible to make them efficient.

But what I mean is that the actual discipline of these men lies in the hands of native officers?—The Superintendents are, in the first instance, responsible.

And I want to ask you whether you are satisfied—whether that is a good result? Because, native officers being in charge of these men, the only thing that you can say about them is that the men, for whose discipline these native officers are responsible, are a thoroughly incompetent unscrupulous, corrupt body?—If the responsibility is to be apportioned in that way, the Superintendents and the District Superintendents will come in for their share first.

At the top?—Yes. At the top.

But the actual discipline, you must pardon me for saying, throughout the country must lie in the hands of this large force of native officers?—The better classes do not go into the force, because there are no good prospects; they must stop at a certain level. Above that all are Europeans, so they do not care to go into the service.

(*Sir William Wedderburn.*) Do you not think we could get for the police men as trustworthy and men as well educated for the higher grades as we have for the subordinate judicial service—that same class of men?—Yes, there is no reason why we should not have them if equally good pay were offered.

And that class of subordinate judges in India is universally respected and trusted by the people?—Oh, yes, and by Government too; they have always been saying that they are a very efficient body.

(*Chairman.*) You advocate the necessity of a large increase in the expenditure on education, I think?—Here, too a large increase of expenditure is necessary, if Government desires to discharge its duty adequately by the people. The charge under the head of education at present is about 20 lakhs, of which 3 lakhs are consumed in direction and inspection. Our percentages are no doubt slightly better than those for the whole of India, but that is hardly a matter for congratulation, seeing that what is being done is almost as nothing compared with what ought to be done. So long as we have only 9,000 public primary schools for over 25,000 towns and villages, and about 80 children out of every 100 of school-going age are growing up in utter darkness, so long the educational policy of the

Government will always be a reproach to it. In this connexion there is one point to which I am anxious to draw the particular attention of the Commission. That point is the absolutely inelastic character of the financial provision which is made for primary education in rural areas. In these areas, primary education is now entrusted to local boards, Government contenting itself with a grant-in-aid to these boards of one-third the total expenditure. Now, the only revenue that these boards have at their disposal is the proceeds of the one-anna cess, and these proceeds are devoted, in certain fixed proportions, to primary education, sanitation and roads. As our revenue settlements are for periods of 30 years, it follows that during these periods the proceeds of the one anna cess must be more or less stationary, which means that the amount that local boards can devote to primary education, being a fixed proportion of those proceeds, must also remain more or less stationary during the currency of each period of settlement; and as Government will, as a rule, contribute, only one-third of the whole expenditure, *i.e.* one-half the amount spent by the boards, it is clear that the resources that are available for the spread of primary education are entirely inelastic for long periods. I believe Sir James Peile proposed, when he was Director of Public Instruction in Bombay, that local bodies should be empowered to levy special educational cesses if they pleased. In the absence of Government finding more money for the education of the masses—a duty definitely accepted as a sacred trust—this seems to be the only possible solution of the difficulty.

I now come to *Law and Justice*.—The charge under this head in 1894-5, excluding the cost of jails, was 46 lakhs of rupees. Of this sum the expenditure on the High Court came to about 6¾ lakhs. It has long been a matter of complaint that our High Court is managed on a more extravagant scale than that of Madras, the expenses of the latter in 1894-5 being less than 5½ lakhs. The great item of difference is the expenditure of the original side, which in Bombay is about 2¼ lakhs, and in Madras not even one lakh. The appellate side of the Bombay High Court, which does the appellate work for the whole Presidency, is maintained at a cost of about one lakh of rupees only. The expensiveness of the High Court is, however, not due so much to the cost of the machinery employed as to the monopoly enjoyed by solicitors and barristers, whose fees represent a charge on litigation which is almost prohibitive. It is, indeed, high time that the system of the civil and criminal administration of justice in Bombay was improved so as to render it less costly.

(*Sir William Wedderburn.*) You mean in the city of Bombay?—In the city of Bombay, I mean. The Finance Committee of 1886 made certain proposals about reducing the cost

of the Bombay High Court, some of which have not yet been carried out. The Clerk of the Insolvency Court still continues to receive fees, amounting to nearly the salary of a puisne judge, for only nominal work. The Judicial Department is specially a department for high posts in which the qualifications of natives have been repeatedly recognised. The Public Service Commission recommended that one-third of the district and sessions judgeships should be set apart for natives. No effect, however, has yet been given in practice to that recommendation. The question of the separation of judicial and executive functions comes under Law and Justice. It is contended on behalf of Government that such separation would entail extra expenditure of something like half a crore of rupees for the whole of India. Now, in the first place, this appears to be simply an over-estimate. Assuming, however, that the additional cost would be as high as that, it is much less than what was given to the European services by one stroke of the pen in 1893—I mean the exchange compensation allowance. This year, in certain famine areas, sub-judges are entrusted with criminal work also, to the relief of revenue officers, and the experiment, so far, has succeeded very well. A similar experiment was tried during the famine of 1877 with equally satisfactory results. The stipendiary sub-judges and sub-magistrates may with advantage be relieved of a portion of their lighter work by the appointment of honorary magistrates and arbitration courts. Honorary magistrates have already been appointed in the larger towns, but benches of such magistrates may be constituted in Taluka towns with great advantage to the Government and the people. Further, the caste and trade Panchayats may be utilised for the purposes of settling civil disputes. There has already been a reform in the manner of disposing of petty cases, and arbitration courts have been recognised as cheap and efficient institutions for the administration of justice in small cases. If the same principle be extended to the courts of subordinate judges, and if civil juries are associated with the sub-judges in the disposal of suits involving larger amounts of money, as also in deciding questions regarding rights and customs, ample relief will be afforded to the superior courts, which may ultimately enable considerable economies to be effected.

Then I come to the *Public Works Department*. The expenditure under this head, including provincialised railways and irrigation and civil works, was about 35 lakhs of rupees in 1894-95, out of which about one-third was for establishment. The first two items came to a little over 1 lakh, and the rest was for civil works. Except in Sind, we have no irrigation worth speaking of, and I think it would be a great advantage if the construction of storage tanks and wells in areas where the rainfall is uncertain were undertaken by the Government on a large scale and in a systematic manner. This was recommended

by the Famine Commission; nothing has been done, however. As regards the civil works outlay, it is noticeable that the highly paid machinery of executive engineers, &c. is still kept up in all the districts, though in several of them the expenditure on civil works for the provincial revenues does not exceed a mere trifle, and the works required by the local funds are of a sort that far lower establishments can safely undertake. The reduction in the executive engineer's charges appears to be urgently called for.

(*Chairman.*) Next you wish to call attention to the question of the monopoly of the higher offices by Europeans?—Yes. Similar criticism might be offered about the remaining departments, but I have no wish to weary the Commission with further observations of the kind. But there is one great evil common to all the departments, and a few words on that may be allowed. This evil is the practical monopoly of all the higher posts by Europeans. The following analysis of the Civil List for the Bombay Presidency for January 1897 will make my meaning clear. *Covenanted Civil Servants*, or, as they are now called, Civil Servants of India. The total number of these civil servants attached to Bombay at present is 156, out of whom only 5 are Indians, these 5 having entered by the competitive door in England. There are besides 8 statutory Indian civilians. The Members of Council, the High Court Civilian Judges, the Commissioners of Council, the Secretaries to Government, the Senior Collectors, are all Europeans. *City Magistrates*.—There are four city magistrates, two on Rs. 800 a month, and two on Rs. 500 a month. The two former are held by Europeans (not covenanted), the two latter by natives. *Land Records and Agriculture*.—There are six posts in this department with a salary of over Rs. 400 a month. They are all held by Europeans. *Forest Department*.—There are 29 posts in these department, with salaries ranging between Rs. 400 a month to Rs. 1,600 a month. They are all held by Europeans. There are nine Europeans even below Rs 400 a month. *Salt*.—There are 12 posts with salaries ranging between Rs. 400 to Rs. 1,130 a month. Only one of these is held by an Indian. *Post*.—The Postmaster-General is a civilian. There are 11 posts under him with salaries above Rs. 400, out of which seven are held by Europeans. *Telegraph*. There are 12 posts in this department with salaries ranging between Rs. 400 and Rs. 1,000, and they are all held by Europeans. There are, moreover, 40 posts between Rs. 100 and Rs. 400 a month. Of these, also, 36 are held by Europeans. *Revenue Survey*.—There are 10 posts in this Department with salaries above Rs. 400. They are all held by Europeans. *Accountant-General's Department*.—The Accountant-General and Deputy Accountant-General are civilians. There are five posts under them with salaries ranging between 400 and 1,000 rupees, four of which are held by Europeans. *High Court Judges*.—Out of seven judges, two are natives.



*Government Law Officers.*—There are seven Government Law Officers of whom six are Europeans. Four of these get Rs. 2,000 a month and above one gets Rs. 1,000, and the sixth man gets Rs. 250. There is only one native among these who is paid Rs. 300 a month. *Officers of the High Court.*—There are 14 officers with salaries ranging between 400 and 2,500 rupees a month. Of these, six are natives. *Prison Department.*—The Inspector-General draws Rs. 2,000 a month, and there are under him 11 officers receiving Rs. 350 to Rs. 1,200 a month. They are all Europeans. *Cantonment Magistrates.*—There are 11 such magistrates with salaries ranging from Rs. 100 to Rs. 1,250 a month. They are all Europeans. *Police.*—There are 54 officers in this Department with salaries ranging between Rs. 250 and Rs. 1,800 a month. Of these only three are natives, and they are all drawing Rs. 250 a month. They are moreover, five officers in charge of railway police. They are all Europeans and draw salaries ranging between Rs. 350 and Rs. 1,000 a month. *Education.*—The director is paid Rs. 2,500 a month, and under him there are 45 officers receiving between Rs. 400 and Rs. 1,500 a month. Of these only 10 are natives, and with one exception, they get either Rs. 400 or Rs. 500 a month; the one gentleman mentioned as an exception is a native Christian and draws Rs. 633 a month. *Ecclesiastical.*—There are 31 paid officers in this Department. They draw between Rs. 400 and Rs. 800 a month, and are, of course, all Europeans. *Medical.*—The Surgeon-General draws Rs. 2,500 a month, and there are under him 59 officers drawing salaries between 400 and 1,600 rupees a month. Out of these only four are natives. *Sanitary.*—There are seven posts in this Department with salaries between Rs. 400 and Rs. 1,200 a month. They are all held by Europeans. *Political.*—There are 66 officers in this Department, drawing salaries ranging between Rs. 400 and Rs. 3,500 a month. This gentleman drawing Rs. 3,500 a month is at Aden. Only two of these are natives, one of them drawing Rs. 400 and the other Rs. 450 only. *Public Works.*—There are 83 officers in this Department, drawing salaries between Rs. 250 and Rs. 2,500 a month. Of these 23 are natives. The subordinate judgeships and deputy-collectorships are the only branches of the public service which are free from this practical monopoly by European officers. It may be mentioned that the posts in the special departments mentioned above are not reserved for a particular class of men by statute, and subject only to departmental rules, their bestowal is entirely in the discretion of the Executive Government. It cannot also be urged, in the case of most of these departments, that the appointment of natives to the higher posts in them is ever likely to have an element of political danger in it. In the case of collectorships they may say the Collectors is the head of a district, and the Government would not care to entrust everything to a native, but in the Forest and Accounts Departments what is there of danger?

Is there no possible danger in the case of the Police?—I have said most of the departments. I anticipated such a question, and therefore said “most of the departments.” The question is essentially one of patronage. The word “patronage” I have taken from one of Mr. Lee Warner’s minutes; and our complaint is that the best part of that patronage goes to persons who are not children of the soil.

That completes the remarks which you would wish to offer upon administration?—Yes.

We have yet another branch of our inquiry which you have not as yet touched, namely, the Apportionment of Charges between England and India?—Yes; I have not much to say upon this. On the narrower ground which the Government of India have chosen to occupy in this matter, they have, I think, stated the case for India very effectively. I agree, however, with Mr. Dadabhai Naoroji and Mr. Wacha, in thinking that the field, in respect of which equitable apportionment is necessary, is much wider than that. I will add a few observations to explain my meaning:—*The India Office Charges*.—These, which stand at about 273,000 l., ought to be borne by England, or, at least, divided half and half between England and India. The Secretary of State for India as a member of the Imperial Cabinet, represents the Imperial Executive and discharges the Imperial function of general controlling supervision in respect of Indian Administration just as the Secretary of State for the Colonies does for the Colonial Governments. The salary of the Colonial Secretary together with his office charges is borne on the Imperial Estimates. In strict justice, therefore, the India Office ought to form part of the Imperial Establishments and be paid out of the Imperial Exchequer. I am, however, aware that it is urged on the other side, that, under present arrangements, the India Office has to do much directive and executive work in regard to Indian Administration which the Colonial Office is not called upon to do, and I should, therefore, be satisfied if the charges were divided half and half between India and England. (2) *Army Charges due to recent additions*.—These increases were due to the panic caused by the Penjdeh incident, and were alleged to be necessary for the better protection of the north-west frontier. Upper Burma was, however, subsequently annexed, British Beluchistan was organised, various frontier enterprises carried out, and almost the entire increased strength has been thus absorbed in these newly conquered territories, a fact which shows that they were not really required for purposes of the defence of the north-west frontier. Similar temporary additions were made at the same time to the Imperial garrisons in other parts of the Empire in view of an imminent conflict with Russia, Mr. Gladstone obtaining a large vote of credit for this purpose; but, as soon as the emergency passed away, the garrisons were reduced everywhere else. Only in India was the increased strength

maintained. These additions were in excess of the maximum defence requirements of the country as defined by the Army Commission of 1879 in view of frontier and other contingencies, even Russia and Afghanistan making common cause. The additions were protested against, when made, by two members of the Viceregal Council, including the Finance Member, who urged that, in the first place, they were not necessary, but that, secondly, if they were wanted, that was for purposes of the Imperial policy, and the Imperial treasury should pay for them. This increased force, therefore, of 30,000 troops forms no part of our Indian Army proper, but is an Imperial garrison, and serves as an Imperial reserve, and the cost of it ought to be an Imperial charge.

In mentioning that two members of the Council protested, we must bear in mind that they were the Finance Member, and the Legal Member?—Yes.

As against that, one must bear in mind that the expert members of the Council thought differently, and considered that this force was necessary for the defence of India?—Yes, I am quite aware of that, but then my argument is this: if the force that was then added was necessary for the purposes of strengthening the north-west frontier, why have they not increased the army on account of Burma? They have now more territory thrown on their hands on account of Burma, British Beluchistan, Gilgit, and Chitral; and yet the same army suffices, which means that at one time so much was not wanted. That is the only inference that I can draw as a non-official critic.

(*Sir Donald Stewart.*) But supposing Burma had not been annexed, is it not possible that that force might have been reduced?—I should have thought so.

Very good then; but the annexation of Burma absorbed the whole of that additional force?—A very large portion of it, yes.

(*Mr. Naoroji.*) But then it was not necessary that Burma should have been annexed to India; it might have been treated as a separate territory?—Yes.

And the Indians, the National Congress, declared so?—Yes, but my point is this; in the correspondence that took place between the Secretary of State and the Government of India the increases are spoken of as permanently wanted; in fact there was a telegram from the Secretary of State inquiring whether the increases were meant to be permanent, and the Government of India telegraphed back, "yes." If they were permanently wanted for the north-west frontier before Burma was annexed, how could they withdraw a portion and spare it for Burma, when Burma was annexed? That is the only inference that I draw.

To resume—(3) *Our ordinary debt.*—Our ordinary debt as distinguished from our Public Works debt stands at present at 68 crores. This portion of our debt would not have until now remained undischarged, but for charges, unjustly imposed upon us

in the past in respect of various wars and expeditions in promotion of Imperial schemes or territorial expansion :—

	Cost in crores.		
First Burmese War (1823) ...	...	...	13
First Afghan War (1838—42) ...	...	...	15
Abyssinian War ...	...	...	6
Second Afghan War			
(Total cost = 22 crores minus Im- perial con- tribution... 5 crores	...	...	17
Egyptian War ...	...	...	1·2
			<u>46·8</u>

Add to this 67·8 crores thrown upon India since 1885 in pursuance of an Imperial policy as shown in the following table :—

Frontier expenditure since 1885.	Aggregate charge during the period in crores or millions Rx.	Permanent annual charge in crores or millions Rx.
Military roads ...	1·250	...
* Strategic railways ...	14·000	·600
Special defence works ...	4·630	...
Army increases ...	22·000	3 900
(including Beluchistan garrison).		
Frontier extensions :—		
(1) Upper Burma	14·920	·925
(2) British Beluchistan	...	0·086
(3) The Gilgit Agency and Protectorate	...	·220
(including Chitral).		
(4) Somali Coast	...	·012
(5) The Afghan Protectorate	...	·180
Cost of expeditions, &c. ...	8·240	...
(exclusive of Burma).		
Political expenditure ...	2·838	·457
Total in crores ...	67·878	6·038

\* The charge is met from capital and not from current revenue

(*Chairman.*) I do not quite understand the separation between these charges; is the 6·038 crores Rx. in respect of loans which have been raised for the purpose?—More than three millions is for the army increase; it is 3·90 for army increase—30,000 troops.

How do you arrive at the annual charge of army increases?—From the Army Budget, 22 crores is the total charge—I mean the total charge we have had to bear during all these 10 years for this increase in the army.

Cumulative evidently?—Cumulative; and this 3·9 millions is the annual charge which we are to bear every year; but for this increase we should not have had to bear this charge.

It is an easy way of raising a heavy charge, is it not, first of all to say that this charge is unjust, and then to add up the sums so expended over many years? If it goes on for many years, it is rather an easy way of making out a large bill. I am not sure that we could not all make a heavy bill against somebody in that way?—It is the natural way of looking at the thing for those who think a charge is unjust.

What a charge we might make out in England now! It is easy for me to say that 200 years ago William III. acted wrongly in going to war with France, and, therefore, to carry forward all expenditure that happened in consequence during that 200 years—we ought to add on interest—that is an easy way of raising a formidable charge, I think?—I think that is putting it in too extreme a manner; this is only a matter of 10 years; and this increase was carried out in spite of the protest of the people, and in spite of the protest of some of the advisers of Government.

But this charge will go on, and will increase every year. I am criticising only your cumulative bill. I am not criticising the position that you have a right to say that you think such-and-such charges are heavy?—I mention it because we make a claim for restitution of so much money on behalf of India, just as in the case of the Irish Commission; they have mentioned a certain sum in regard to which Ireland claims restitution. We get thus a total of 111 crores of rupees, unjustly imposed by the Imperial Government on us in furtherance of its own policy. If even half the sum were refunded to us, our ordinary debt would practically disappear.

I observe that that statement rests entirely upon the assumption, which is by no means proved, that the charge was unjustly imposed?—But take the First Burmese War. The Court of Directors protested against that, but the Imperial Government insisted upon its being undertaken. The First Afghan War—the Board of Control ordered it, and it was prosecuted under orders sent directly, and against the wishes of the Indian

Government. The Second Afghan War was also ordered direct from England by Lord Beaconsfield. In the case of the Egyptian War the Indian Government protested.

But in many of those cases the Government undertook the war believing that it was necessary in the interests of India, did it not? The Government here ordered the war, the Government there protested against it.

(*Sir Donald Stewart.*) Who initiated it?—The Government here—the British Government.

Have you any authority for that?—I believe from all that I have read—this seems to be accepted by almost everyone—that the First Afghan War was ordered by the Chairman of the Board of Control directly.

Go to the last Afghan War?—Yes, even in regard to that I think the same. Lord Northbrook resigned rather than carry out certain instructions which he received from his Government here; then Lord Lytton was sent out to succeed him, with special instructions, I think, to carry out a certain policy, and that brought on the complication.

I doubt if there is any real authority for that statement?—I think Mr. Naoroji went carefully into this question. Declarations of Mr. Gladstone, Lord Salisbury, and Mr. Fawcett were quoted to show that that was essentially an Imperial war.

(*Mr. Naoroji.*) Lord Lytton has said, on the authority of Lord Salisbury, that he was instructed to regard it as an indivisible part of a great Imperial question.

(*Chairman.*) Perhaps the method you adopt may be put in this way, that, whenever native opinion says that it does not altogether approve a charge, that charge is to be put into an account, and England is to be called upon to make restitution; that is the argument, is it not?—Not quite that. When the Government of India also is on the same side, I think that alters the position very much.

Will you go on?—I would mention in this connection that we have paid every shilling of the cost of British conquest, including even the cost of the suppression of the Mutiny (which was close on 50 crores), England contributing absolutely nothing in aid of all this expenditure. England has paid such charges for Imperial conquest or settlement in respect of her colonies. She has even paid the cost of the suppression of the insurrection in Canada (1838–43), out of Imperial revenues. Nor has she ever called upon her colonies—not even the Cape—to undertake Imperial wars or to contribute towards their charge. *Upper Burma* lies beyond the Indian Frontier, and we have had no interest in its conquest and annexation except as a province to be held and administered as an Imperial trust. The conquest was effected in furtherance of Imperial policy and the commercial interests of the Empire; and no special Indian

interest was ever here at stake. British Beluchistan and the Gilgit Protectorate are beyond the line of our impregnable defences, and India has no concern with them except as Imperial charges. These are new conquests, and, as years pass by, will require large expenditure for purposes of administrative improvement and material development. And it is suggested that they be taken off our hands, as Ceylon, St. Helena, and the Straits Settlements were in a former day—and be directly administered as appanages of the Crown. I would only add one thing, Ceylon was conquered at the expense of India, and has been raised to the position of a Crown Colony; but the expenses India incurred in connection with Ceylon were not refunded. Certain pensions which were granted to officers India continued to pay up to a very recent time. Bechuana-land (South Africa) is administered as a Crown Colony, and is not thrust on the hands of the Cape. *Political expenditure beyond the Frontier*.—This is properly Foreign Office expenditure as being connected with the general foreign relations of the Empire. Foreign policy and control of foreign relations are Imperial functions, and charges in connection therewith, in whatever part of the Empire, ought to be borne on the Imperial estimates. India has no interest whatever beyond her territorial borders, and has only to maintain peace and order on her own side of the frontier. The Indus, the desert, and the Himalayan wall are impregnable lines of defence on the north-west, behind which she can remain in perfect security. All such expenditure, therefore, as is represented by the subsidies to the Amir and other tribal chiefs, and other like charges, is strictly Imperial in furtherance of Imperial interests in mid-Asia. Lastly, *The irreducible minimum of Europeans*.—If England thinks that a certain number of European officers and a certain strength of the European Army must always be maintained in India, she must be prepared to pay a fair share of the cost thrown on India for the purpose, the maintenance of British supremacy in India being a matter affecting the most vital interests of England.

And also the most vital interests of India?—Therefore, I say, the charges should be divided between the two.

(*Sir James Peile.*) You have quoted this resolution of 1888, of the Government of Lord Dufferin, I think?—Yes.

What you refer to is this 17th paragraph, I think (*showing book to witness*)?—Yes, and the 18th.

And the 18th. What the Government of India says is this—you consider that it said that the educational expenditure should be stopped?—I did not say “stopped”; I said they should be a “constantly diminishing quantity.” You will see they have put it more clearly in the next paragraph at the bottom.

The point is to see under what circumstances and under what conditions the Government of India proposed that it should be reduced?—Yes.

Would you read it?—Yes. “Passing from the statistics of attendance at the various classes of Indian schools and colleges to the expenditure on education, we find that in 1881-82 the total expenditure on public instruction in India was, in round numbers, 186 lakhs of rupees. Four years later (in 1885-86), the total had risen to 240 lakhs; and last year it stood at a little over 252 lakhs. At the beginning of the five years the Government bore 73 lakhs of this expenditure, while local and municipal funds contributed 32 lakhs; the balance of 81 lakhs, consisting of fees, subscriptions, endowments, &c., falling on the public. In the year 1885-86 the share of the Government is shown at 80 lakhs; that of local and municipal bodies at 48; and that of the public at 112 lakhs. The share assigned to local bodies, however, is not entirely the proceeds of local taxation, but includes an item of  $4\frac{1}{2}$  lakhs contributed by Government, so that in effect the share of Government at this period stood at about  $84\frac{1}{2}$  lakhs. Next year the shares are shown at  $85\frac{1}{2}$  lakhs for Government, 49 lakhs for local and municipal boards, and  $117\frac{1}{2}$  lakhs for the public. But of the 49 lakhs expended by local bodies,  $6\frac{1}{2}$  were contributed by Government, so that there has been a progressive increase in the Government expenditure. The Governor-General in Council considers that the growth of the share borne by local bodies should, for the future, exhibit a more marked increase than it has done since 1885, and that there should be a tendency to decrease rather than to increase in the share which now is defrayed from the public treasury.” Then comes, further, this:—“The Government of India recognises its responsibility to provide so far as its finances permit, facilities for the education of the people. But in educational, as in all other matters, it is the policy of the Government of India to avoid entering into competition with private enterprise; it pioneers the way; but, having shown the way, it recognises no responsibility to do for the people what the people can and ought to do for themselves. When, therefore, local effort or private enterprise shows itself able and willing to supply the educational wants of the people in any locality, it is the policy of Government to retire from the field of direct instruction and to help by reasonable subventions of money the operations of independent institutions. Under this policy it is the aim of the Government also, wherever there is vitality of private effort, to restrict official action to the maintenance of a few schools, in which the system of instruction and discipline shall afford a standard for the emulation of private or aided institutions in the neighbourhood. In pursuance of this policy, the expenditure from provincial revenues on government educational institutions should not ordinarily increase in pro-



"portion to the total expenditure, but should, rather, be a constantly diminishing quantity, provided that there is the assurance that the ground abandoned by the Government shall be occupied by local effort."

You see the last words "provided——"?—These inconvenient provisos are likely to be forgotten, and only the idea carried out in practice.

I think the proviso at the end is an essential part of the document, is it not? The Government will not diminish its contribution, *unless* it is assured that the place of that contribution will be taken by private funds. The whole paragraph is entirely in favour of local self-government, is it not?—Well, so far as this sort of expenditure is concerned, of course Government would throw the responsibilities on the Provincial Governments. I would mention one point. During the four or five years previous to the issue of this Resolution, in consequence of the orders issued by Lord Ripon in 1884, the educational expenditure had been increasing in a fairly satisfactory manner, but from 1890 it has been at a stand-still. For the last five years there has been only an increase of Rx. 30,000, when in England you have gone from 5,000,000 £. to 9,000,000 £.

That is an increase in the Government expenditure?—Of Government expenditure.

But has the expenditure from local funds and other sources increased or not?—Oh yes, it has increased.

Then the purpose of the Government in that paragraph has been fulfilled?—That is not my point. Language such as is used in this Resolution would not have been held in the House of Commons by any responsible minister during the recent debates on the Education Bill, to the effect that Government were to recognise no responsibility to do for the people that which the people can and ought to do for themselves.

(*Chairman.*) Yesterday you were reducing the Army to the unit of the European soldier, and in support of your view, you were quoting an officer of repute, namely, the late Sir George Kellner; and I think he estimated according to your quotation from him, that seven native soldiers were financially the equivalent of three Europeans; did he not?—Yes.

I was questioning the value of that reduction to one unit, because various people will vary in the way they look at it; and in support of that my attention has been called to Sir George Kellner himself. In 1873, he said, "the soldier is the true unit of "military expenditure." I am quoting his evidence taken before the Select Committee on East India Finance, "in order "to get that unit, I propose to take four native soldiers as "equivalent to one European soldier, financially, for the purpose "of comparison." That rather shakes the authority, does it not?—One European soldier equal to——?

"I propose to take four native soldiers as equivalent to one European soldier"—Financially?

For financial purposes?—Is that so?

I am bringing this divergence before you in support of my remonstrance against these somewhat arbitrary reductions of different classes to one denomination?—I was not aware of this expression of opinion on the part of Sir George Kellner, who was Accountant-General in the Military Department for a long time.

I quite admit your justification in quoting him; I only wanted to point out to you that, in quoting high officers, sometimes they take such various views of the same circumstances that it does not suffice to build important financial conclusions on their statements?—Yes; but we are not military experts. We can take our stand only upon what these experts say. I was not aware of this other expression of opinion on his part, else I should not have quoted him.

(*Sir William Wedderburn.*) There is a point on which it was suggested that you might be able to inform the Commission; it is with regard to the action of Lord Elgin in regard to a petition which was presented to him at Poona. It is stated that that petition was returned to the persons who presented it, for some purpose. Do you know for what purpose; can you tell us the circumstances of that petition?—Yes. I was one of the secretaries of the Poona Sarvajanik Sabha at the time when we proposed to present an address to His Lordship. It was an address of welcome, and in that we had, as was the usual practice, stated our grievances, as we had done in similar addresses to previous Viceroys, Lord Ripon and Lord Dufferin, when they were in Poona, and we had also drafted our address in the same manner. There were, I believe, four or five paragraphs in that draft which referred to Imperial grievances, Imperial expenditure, and railway policy, and things of that kind, and there were four or five paragraphs which were about local matters. In India, we generally send these drafts in advance to the persons to whom the addresses are to be presented, to enable these high persons to prepare their replies, and so we sent this in accordance with that practice to His Lordship about 10 or 12 days before the time. We, however, received the draft back with an intimation that His Lordship declined to hear anything about Imperial matters, that he was in Bombay, and he only wanted to hear about Bombay matters, and he wanted us, therefore, to take out the four or five paragraphs that referred to Imperial questions, otherwise he would not accept the address. Now, our point, with regard to Bombay grievances was this, that we had the Governor there; we could go to him when we wanted. There were questions not in the discretion of the Governor, in regard to which we had to go to the Government of India. The Viceroy comes once in a way to Poona, and a

political body like the Sabha, would naturally take advantage of his presence to press upon him their grievances in regard to the whole country, in which all were equally interested. We had done that before in the case of Lord Dufferin, and in the case of Lord Ripon; but, in this case, Lord Elgin told us that, if the paragraphs were not omitted, he would not receive the address; and, on the principle of half a loaf being better than no bread, we omitted the paragraphs.

Can you state definitely what the last four or five paragraphs related to?—It is rather difficult to recall at this moment. There was, I believe, a paragraph about military expenditure, a paragraph about railway policy, a paragraph about the Jury Bill, which was at the time agitating the people. I cannot give all the points just now; but, if I had only a little time to consult newspapers, I could do so.

There was no objection raised to the form of the petition, on the score of the language not being respectful?—Absolutely none.

It was the substance of it that was objected to?—Yes.

You will, perhaps, not have so much personal knowledge of it—but are you aware that the same objection was raised in Madras by Lord Elgin?—I have read of it in the papers.

What was the result?—The Madras Mahajana Sabha took a firmer stand than we did, and they declined to present the address.

And the address was not presented?—The address was not presented. May I here volunteer information on a point connected with that? When Lord Dufferin came to Poona, there was also a little incident, but not exactly of this kind. The Public Service Commissioners had just been appointed by His Lordship, but the people in India were not satisfied with the constitution of the Commission. In our address we condemned the constitution of the Commission. We sent a draft of the address to His Lordship, and, although he did not raise any formal objection, an intimation was privately, and very tactfully, conveyed to us that, if our opposition was not quite so uncompromising, he would be able to make a statement on the subject, which otherwise he could not make. We modified our statement a little, and that satisfied him. But this was entirely private. Lord Ripon raised no objection to the address which was presented to him.

## II

### NOTE ON DECENTRALIZATION.

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*The following is the Statement submitted to the Royal Commission on Decentralization by the Hon'ble Mr. Gokhale:—*

#### PROVINCIAL DECENTRALIZATION.

I am strongly opposed to the present system of excessive centralization of authority in the hands of the Government of India in its relations with the Provincial Governments, but I should be even more strongly opposed to any scheme of decentralization which, while it freed the Provincial Governments from a large part of the control exercised at present by the Supreme Government, substituted nothing in place of the control so removed. To my mind the main evil of the existing situation is not so much the extent of the control to which Local Governments have to submit in its purely official character and the distance from which it is exercised. But even mere official control, imperfectly exercised from a long distance, is better than no control, and I certainly have no wish to see "petty despotisms," pure and simple, set up in place of the present Provincial Governments. It is true that the higher officials of both the Government of India and the Provincial Governments, who carry on the ordinary administration of the country, are drawn from the same Service and may, therefore, be assumed, other things being equal, to be equally competent to deal with finality with matters coming before them. But other things are not equal. The Provincial officials have indeed on their side the advantage of a more intimate knowledge of local conditions and local needs; but as against this the officials of the Government of India may claim a much greater freedom from local prejudices and local prepossessions and a wider outlook, and these are qualities which are of great importance in a country governed as India at present is. The history of the extension of Local Self-Government in this Presidency during Lord Ripon's time and the important modifications that have recently been made in the Famine and Land Revenue policy of the Bombay Government under pressure from above may be cited as fair illustrations of what I say. It may be urged that if the seat of final authority is in the Province itself, Provincial public opinion has a better chance of influencing the course of administration. But, even here, there is the balancing consideration that the tendency to resent criticism, which goes with all absolute power, is bound often to impart on the official side an

amount of *feeling* which cannot fail to neutralise the strength and usefulness of public opinion. If it were, therefore, merely a question of shifting the seat of final authority from Calcutta or Simla to Bombay and nothing else, I would prefer existing arrangements to any such decentralization.

But it is my hope that the scope of the question before the Commission is a much wider one than this, and it is in this hope that I come forward to advocate a large measure of decentralization. I think a stage has now been reached in this country when, in the true interests of the people as well as to arrest the growing unpopularity of the administration, it is necessary to give the representatives of tax-payers some real voice in the conduct of Provincial affairs. And any arrangements made for this purpose should not only be suited to present requirements but should also be capable of a steady expansion so as to meet satisfactorily the growing demands of the future. Now, the existing system is hopelessly ill-adapted to serve this end. The number of Provincial representatives who can have access to the Government of India—at present the final seat of authority in regard to most Provincial matters—must necessarily be most limited. Moreover, their opportunities to bring up Provincial questions before that Government, with any degree of usefulness, cannot but be exceedingly few. It follows, therefore that the seat of final authority in Provincial matters must be brought down to Provincial head-quarters, if popular representatives are to be placed in a position where they may exercise a real and growing influence over the course of Provincial administration. The Secretary of State for India is contemplating at present a reform of Provincial Legislative Councils. There is, however, small scope for a real reform in this direction, unless it is accompanied by a substantial measure of decentralization relieving Provincial Governments of a large part of the control, financial and administrative, at present exercised over them by the Government of India.

To any such decentralization, however, I would attach three-conditions. First, the form of Government in all important Provinces should be a Governor, appointed from England, with an Executive Council. I believe in a fresh mind, trained in the free atmosphere of English public life, being applied to the problems of Indian administration from time to time. I also think that the higher responsibilities of Government in this country can be better discharged by a Council of three or four persons than by single individuals. Secondly, Provincial budgets should be submitted for full discussion to Provincial Legislative Councils, which, I trust, will shortly be enlarged and made more representative—members being empowered to move amendments and the budgets being required to be passed by the Councils. And thirdly, whenever a certain proportion of the elected members of a Legislative Council, say one-third, send a requisition to the

President of the Council asking that a specific matter concerning the Provincial administration should be brought up for discussion before a meeting of the Council, the Council should be summoned to discuss the matter. The second and third conditions aim at providing, as a substitute for a portion of the present control of the Government of India in financial and administrative matters, some sort of control on behalf of the taxpayers in the Province itself, in the shape of a free discussion in the Legislative Council.

Subject to these conditions, I would urge the following scheme of decentralization :—

*First, as regards Finance* :—I think there should be no divided heads of either revenue or expenditure, but certain heads of revenue with the expenditure under them should be wholly Imperial and the others wholly Provincial. I would thus assign to Provincial Governments independent sources of revenue in place of the grants which they are at present understood to receive from the Government of India. The three major heads of revenue that I would make over to the Provincial Governments are Land Revenue, Excise and Forests. These are intimately connected with the daily life of the mass of the people, and they may appropriately be placed under the exclusive control of Provincial Governments. On the other hand, revenue and expenditure under Opium, Salt, Customs, Assessed Taxes, Stamps, Registration and Tributes from Native States, together with Post, Telegraph, Mint, Railways and Major Irrigation Works, may be treated as wholly Imperial. On this basis of division, the revenues of all the Provincial Governments will be found to exceed their present scale of expenditure, while the reverse will be the case with the Government of India. To make up this deficit of the Supreme Government, the Provincial Governments should make to it fixed annual contributions which should be determined after a careful consideration of the average liability of each Province to famine as also of the need of making increased grants to Local Bodies out of Provincial resources. These contributions, moreover, should be liable to be revised every five or ten years, the revision taking place at a Conference of the Revenue Members of the different Provinces, presided over by the Finance Member of the Government of India. To meet sudden and extraordinary emergencies, the Viceroy should have the power of altering the amounts of these contributions as he may deem necessary, any Local Government feeling aggrieved by such alteration having the right of appeal to the Secretary of State.

For the present, I would confer no powers of taxation on the Provincial Governments, but the question may be reconsidered after sufficient experience has been gained of the working of the new arrangements. Of the three heads of revenue proposed to be made over to Local Governments, the periodical

revisions of land revenue, which are really in the nature of enhanced taxation, by whatever name they may be actually called, require to be subjected to a special control, as the Provincial Governments will have an obviously greater interest than hitherto in the increases of revenue resulting from them. I would, therefore, propose that all revisions of settlements should be laid for discussion before the local Legislative Councils, before they are sanctioned by the Provincial Governments.

As regards borrowing powers, these too I am inclined to keep in the hands of the Government of India, at any rate, for the present. I fear that if the Provincial Governments are empowered to borrow separately, it will be impossible to prevent competition among them or between them and the Government of India, and this will necessarily lead to higher rates of interest than at present, involving a loss to the general tax-payer. I would, however, have a rule, whereby Local Governments should be entitled to claim, where necessary, a share in the total loan annually raised by the Government of India in proportion to their revenues. During times of famine, Local Governments, who have exhausted their famine reserve and who find it necessary to borrow, should have the first claim on the borrowing powers of the Government of India.

With reference to expenditure, I am against relaxing the present control of the Government of India in the matter of the creation of new appointments, as also about the scales of pay and pension. Barring this, I would give Local Governments full power to expend their revenues as they deem best.

*Administrative Matters* :—So much about financial decentralization. Coming now to matters of Administration, the first line of division that suggests itself is that the control of Military and Naval defence, Foreign affairs, Currency, Customs, Post, Telegraphs, Railways, General Taxation, General Legislation and the like should always be directly in the hands of the Government of India, and that the rest of the internal administration of the country should be entrusted to the Provincial Governments. In the exercise of the functions so delegated to Local Governments, there should be no interference in matters of detail on the part of the Government of India. It is, however, necessary that large questions of policy, even in regard to the internal administration of the country, should be reserved by the Government of India in its hands, so as to ensure a general, but not rigid, uniformity of administration in the different Provinces, as also to initiate reforms, which, if left merely to Local Governments, may not be taken in hand. For instance, the Government of India should have the power to prevent wide divergences of policy in different Provinces in dealing with famine or plague or to compel the carrying out of such important reforms as the free and compulsory spread of primary education, the separation of judicial from executive

functions and so forth. Subject to such general control over questions of policy, the Local Governments should have a free hand in matters of Provincial administration.

#### DISTRICT DECENTRALIZATION.

I now come to the question of District administration. Here too the need of decentralization is manifest, but it must be decentralization accompanied by measures for a larger association of popular representatives with the work of the administration. There is no doubt that, with the multiplication of Central Departments and a steady increase in the control exercised by the Secretariat of the Provincial Government, the position of the Collector, as the head of a district, has considerably deteriorated. There is also no doubt that the people require more prompt government, and more of it, so to say, on the spot. But this object will not be secured by a mere delegation of larger powers to the Collector. The time is gone by when the Collector could hope to exercise—and with beneficial results—a kind of paternal authority over his district. The spread of education, the influence of new ideas, the steadily growing power of the vernacular press make a return to the benevolent autocracy of the Collector of old times impossible. The only remedy lies in carrying a substantial measure of decentralization down to the villages and in building up local self-government from there. It will not do to be deterred by the difficulties of the task or by the possibilities of initial failure. Village Panchayats must be created. Local and Municipal Boards must be made really popular bodies and larger resources than they can command at present made available to them. Last, but not least, District Councils must be formed, whom the Collectors should be bound to consult in all important matters and with whose assistance they may be empowered to deal, with ever-increasing finality, with questions of District Administration on the spot.

*Village Panchayats* :—I first take the Village Panchayats. There are about 26,000 villages in the British Districts of this Presidency, of which about 16,000 have a population below 500, about 5,000 more have a population between 500 and 1,000 and the remaining above 1,000. I think in all villages with a population of 500 and over, a Panchayat should be constituted by statute, to consist of five or seven members, and that the villages below 500 should either be joined to larger adjoining villages or grouped into Unions. The *personnel* of these Panchayats should roughly be composed of the village headman, the Police Patel of the village where he exists separately, the village Munsiff and the village Conciliator, who will now be appointed in all villages as the provisions of the Deccan Agriculturists Relief Act, requiring their appointment, have been extended to the whole Presidency, and two or three other persons chosen by such of the villagers as pay a minimum land



revenue of, say, rupees ten. These Panchayats should be invested with the following powers and functions :—

(a) The disposal of simple money claims not exceeding rupees fifty in value. In regard to such claims the decision of the Panchayats should be final, unless gross partiality or fraud is alleged. It may be noted that of the total number of suits annually instituted in this Presidency—about  $1\frac{1}{2}$  lakhs—fully or one-half or 75 thousand are claims not exceeding Rs. 50 in value. The Panchayats may be expected to administer on the spot a kind of simple justice suited to the villagers and this will be far preferable to the expense, the delays and the demoralization of the law courts. Such jurisdiction in civil matters was exercised by the Panchayats not only under the Maratha Government but even in the early days of British rule in this Presidency. The Panchayats may charge one anna in the rupee on the value of the claims as costs in the suits, the parties being exempted from stamp duty and other fees.

(b) Trial of trivial offences, such as petty thefts, where the value of the property stolen does not exceed Rs. 10, simple assault, simple hurt, abuse, nuisance, etc.

(c) Execution and supervision of village works.

(d) Management of village forests.

(e) Distribution of sanctioned allotments of Tagai in the village.

(f) Carrying out measures of famine and plague relief.

(g) Control of village water-supply and sanitation.

(h) Supervision of school attendance.

(i) Management of cattle-pounds.

The funds of the Panchayats should consist of assignments made by the Taluka Board, cost of civil litigation realised, fines and penalties levied locally, realizations from village forests and cattle-pound receipts. As in the case of Co-operative Credit Societies, it may be necessary for the Government to appoint a special officer to start and guide for a time these Panchayats and watch over their working.

*Taluka Boards*:—The next rung of the ladder of Local Self-Government after Village Panchayats is Taluka Local Boards. Here the frame-work already exists, but the existing bodies are more or less under official domination and their resources are so meagre that it is not fair to expect the members to feel really interested in their work. The first reform that I would urge in this connection is that Taluka Local Boards should now be made wholly elected bodies. The Mamlatdar should be empowered to attend meetings, when necessary, and the Government should retain in its hands the power of enforcing action, if its advice and warning are disregarded, by suspending a Board temporarily and appointing in its place a small body of nominated members. Only thus will a proper sense of responsibility be developed in these Boards; and any

inconvenience that may temporarily arise will, in the end, be more than made up for by the increased efficiency of real Local Self-Government. But a reform of the constitution of the Taluka Boards will be of small value, unless steps are taken at the same time to place increased resources at their disposal. The revenue of these Boards in this Presidency consists at present mainly of such assignments as the District Local Board makes to them out of the proceeds of the one-anna cess or from contributions received from Provincial resources. In Madras, Taluka Boards retain for themselves half the proceeds of the one-anna cess and only the other half goes to the District Local Boards. With us, the District Boards control the entire distribution of the cess-proceeds and after deducting the educational share as also grants to Medical and Veterinary, they retain for themselves such sums as they think to be necessary and divide the rest among the different Taluka Boards. The result is that the Taluka Boards generally receive much less than one-half the money available for distribution. Thus in the three divisions of the Presidency proper, we find that in the year 1905-06, the amounts retained by the District Boards for themselves out of cess-proceeds, exclusive of grants for educational, medical and veterinary purposes, and those assigned by them to the Taluka Boards were as follows :—

Northern Division	{ District Boards 3.23 lakhs. { Taluka Boards 2.23 lakhs.
Central Division	{ District Boards 3.64 lakhs. { Taluka Boards 1.08 lakhs.
Southern Division	{ District Boards 2.38 lakhs. { Taluka Boards 37 thousand.

Again for the year 1904-05, these figures were :—

Northern Division	{ District Boards 2.23 lakhs. { Taluka Boards 83 thousand.
Central Division	{ District Boards 3.53 lakhs. { Taluka Boards 1.32 lakhs.
Southern Division	{ District Boards 2.72 lakhs. { Taluka Boards 99 thousand.

Now my proposal is that the entire proceeds of the one-anna cess, after deducting the educational share and the medical and veterinary grants, should be placed at the disposal of the Taluka Local Boards and that the District Boards should receive either a share of the Excise revenue or a special contribution from the Provincial Exchequer to cover their loss. At present the Taluka Board and the District Board are what may be called the smaller and the larger unit of local self-government in the districts. Instead of these, if the Village Panchayat and the Taluka Board were made the smaller and the larger unit, respectively, that would be more in accord with the limited extent

of the resources available, and local self-government would yield far more satisfactory results. The areas of Indian districts are, moreover, so large that the sense of unity of local interests, which is very strong in villages and is fairly strong in talukas and without which successful local self-government is not possible, becomes much too diluted when we reach the district. The average area of a district in the Presidency proper is about four thousand square miles, and of a taluka over four hundred square miles. Those who serve on Taluka Boards may well be expected to be fairly familiar with the conditions and requirements of the different parts of the taluka, but such personal acquaintance cannot reasonably be expected from the members of a District Board with the whole of their district. The latter, therefore, must largely rely on the advice of officers, either of their own or of the Government, and though they have enough local knowledge and enough sense of local unity to be able to exercise a satisfactory general control over the administration of their affairs, they are not qualified to administer those affairs personally to the same extent to which members of Taluka Boards are qualified. If large local revenues were available for distribution, I should not mind District Boards getting a share and even a substantial share of them. But the resources available being most scanty—not sufficient even for the local needs of the talukas as distinct from those of the district—I think the best plan would be to place them wholly at the disposal of Taluka Boards, thereby giving a real chance to local self-government to attain a fair standard of efficiency. The Taluka Boards should be bound to make small assignments to Village Panchayats in their areas.

As regards the powers of Taluka Boards, I think the provisions of the present Act are sufficiently comprehensive. I would, however, do away with the power which the District Boards possess and which they constantly exercise of altering the budgets of Taluka Boards. I would allow the latter to frame their own budgets within the limits of their resources without any outside interference. I would also empower them to combine with one another for incurring joint expenditure or entertaining joint establishment without the sanction of a higher authority.

*Municipalities.*—What I have said above about the constitution of the Taluka Boards applies equally to Municipalities on District and Taluka towns. I think these bodies should now consist wholly of elected members, the Government retaining in its hands the power to enforce action, if its advice and warning are disregarded by a temporary suspension of these Boards and the appointment in their place of small bodies of nominated members. Unless an undivided responsibility is thus thrown on these Municipalities, risking even initial failure for its sake, these

institutions will neither become efficient instruments of local administration nor will they fulfil the higher purpose of serving as seminaries for the education of the people in the art of self-government. Like the Taluka Boards our Municipalities also suffer from the meagreness of their resources; but except in regard to education and large projects of sanitation and water-supply, it is only fair that they should rely upon themselves. Large projects are, of course, so utterly beyond the capacity of these bodies that their execution is impossible unless substantial grants-in-aid towards capital outlay are made from Provincial revenues. Also for meeting adequately the growing educational needs of their areas larger assistance from Government is indispensable. As regards powers, the present Act is on the whole sufficient, though here and there small relaxations of present restrictions may be necessary.

*District Boards.*—The case of the District Board is slightly different from that of the Taluka Boards and Municipalities. The area of its jurisdiction is large, and I think it is an advantage to have the Collector as President, unless non-official gentlemen of position, prepared to undertake regular touring throughout the district, are available for the office. The presence of the Executive Engineer, the Civil Surgeon and the Educational Inspector is also desirable on this Board. I would, therefore, have about one-fourth of its members nominated by the Government, the remaining three-fourths being elected. Each Taluka Board and Municipality in the district should elect one member, the Municipality of the district town having the right to return two. I would also create a special constituency for the whole district with a fairly high franchise to elect five or six members, the electors being graduates of a certain standing, say five years, Government pensioners receiving a pension of Rs. 75 a month or above, land-holders paying an assessment of Rs. 200 or above, and traders, merchants, and others paying income-tax on at least Rs. 2,000 a year. Thus, taking Poona, I would have on the District Board 36 members—9 nominated, and the remaining 27 elected as follows:—8 by the 8 Taluka Boards, 2 by the Poona City Municipality, 11 by the other Municipalities, one each, and six by the special constituency outlined above. A Board so constituted may be expected to do useful work if steps are taken to place sufficient resources at its disposal. I have already suggested above that the entire proceeds of the one-anna cess, after deducting therefrom the educational share and medical and veterinary grants, should be made over to Taluka Boards and that a portion of the Excise revenue, say 10 per cent. or in its place an equivalent additional grant from Provincial revenues, should be made available to District Boards. The principle of admitting Local Boards to a share in the Excise revenue is not a new one. Until about 30 years ago the one-

anna cess was levied on a portion of the Excise revenue, though not on the whole of it. Even to-day a fixed sum of  $1\frac{1}{2}$  lakhs appears under contributions from Provincial to Local as 'contribution in lieu of one-anna cess on Excise revenue.' This contract grant was fixed at a time when the Excise revenue of the Presidency had not assumed its present proportions, and the Boards have thereby been deprived of a share in the increase which otherwise would have been theirs. In view of the fact that, in regard to communications at any rate, the District Boards have for the most part to bear a burden which should really fall on the Provincial revenues, it is not an extravagant demand that at least one-tenth of the income from Excise should be handed over to these bodies to enable them to discharge their duties in a satisfactory manner. As regards the powers of these Boards, I think that the present law is on the whole sufficient, though, as in the case of Municipalities, some of the restrictions may have to be relaxed.

*District Councils:*—I now come to the very important question of District Councils. The three evils of the present system of District Administration are its secrecy, its purely bureaucratic character and its departmental delays. Important questions affecting the interests of the people are considered and decided behind their backs on the mere reports of officials, only final orders being published for general information as though the people existed simply to obey. The constant references, backwards, and forwards, which an excessive multiplication of Central Departments has necessitated, involve long and vexatious delays even in the disposal of petty matters and are a fruitful source of irritation and suffering to simple villagers. The Collector is the chief representative of the Executive Government in a district and to prevent the evils of an uncontrolled exercise of power, he is subjected to a series of checks in his work. These checks are, however, all official; they are all exercised by the members of his own Service, of which he himself as a rule is a fairly senior officer, and though they may serve to prevent gross abuses of power, I fear they are not of much value in promoting efficient administration and they certainly hamper him largely in the prompt discharge of his duties. What the situation requires is not such official checks exercised from a distance, but some control on the spot on behalf of those who are affected by the administration. For this purpose I would have in every district a small Council of non-officials, two-thirds of them elected by the non-official members of the District Board and one-third nominated by the Collector. Thus in Poona, I would have a District Council of 9 members, 6 to be elected by the non-official members of the District Board, constituted as already outlined and the remaining 3 nominated by the Collector of Poona. If such a Council is

created I would make it obligatory on the Collector to consult it in all important matters, and I would delegate to him large additional powers to be exercised in association with the Council so that ordinary questions affecting the administration of the district should be disposed of on the spot without unnecessary reference to higher officials. What actual powers should be thus delegated will have to be determined by a Committee appointed specially for the purpose. Roughly, I would classify matters coming before the Collector under four heads:—

(a) Confidential.

(b) Those which must be referred to the Central Government, but in regard to which the Collector must ascertain and forward to the Government the opinion of the District Council.

(c) Those which the Collector should dispose of finally if he is able to carry the District Council with him, but which he must otherwise refer to the Central Government, and

(d) those which he may decide as he deems best even against the opinion of the District Council.

Confidential matters will necessarily have to be withheld from the District Councils. As regards (b), (c) and (d), I indicate below the nature of the questions that may come under them. It will of course be understood that my object is merely to illustrate what questions, in my opinion, should be dealt with in the different ways proposed and not to give exhaustive lists of such questions.

Matters which may be placed under (b) :—

- (1) Legislative proposals.
- (2) Proposals of revision settlements.
- (3) Revision of water-rates.
- (4) Recommendations about remissions of land revenue.
- (5) Creation of new Municipalities.
- (6) Extension of the operation of Acts to new areas.
- (7) Imposition of punitive Police.
- (8) Creation of new posts.

Matters which should come under (c) :—

- (1) Opening, location, and abolition of liquor shops.
- (2) Suspensions of land revenue.
- (3) Levy of building fines.
- (4) City survey proposals.

- (5) Organization of local supply from forests.
  - (6) Opening of new and closing of old schools.
  - (7) Establishment of Village Panchayats and Unions.
  - (8) Suspension of Taluka Boards, Municipalities, Panchayats and Unions.
  - (9) Creation of Benches of Magistrates.
  - (10) Rules regulating fairs, processions, &c.
  - (11) Assumption of property under the Court of Wards Act.
- Matters which may come under (d) :—
- (1) Urgent precautionary measures against plague, cholera, and other epidemics.
  - (2) Measures for preservation of peace.
  - (3) Measures of famine relief.

I would allow the members to initiate, where necessary, the consideration of such questions or grievances as in their opinion should be brought to the notice of the Collector, and I would make the Collector the real head of all the Departments of Executive Administration in his district except in matters which require technical or expert knowledge. It will be seen that the District Councils will be only advisory bodies—advisory in the sense that no resolution of theirs can take effect unless it is accepted by the Collector. If this machinery is brought into existence and if larger powers are then delegated to the Collector, I would have above the latter only one higher authority in the Presidency, *viz.*, the Central Government. This means the abolition of all the Commissionerships except that in Sind. The Collectors will then correspond direct with the Central Government and probably a third member will have to be added to the Executive Council. To enable the Government to exercise general supervision over District Administration, it will be necessary to appoint Inspectors-General, who will tour round the Presidency and do inspection work on behalf of the Government. Expert advisers will also be necessary for those branches of the Administration which require high technical or scientific knowledge. But the only authority from whom the Collectors will receive orders will be the Central Government.

I am confident that the creation of District Councils as suggested above will be attended with beneficial results. The view has been expressed that no such bodies need be called into existence and that the only thing required to meet the necessities of the situation is to delegate larger powers to the Collector. All I can say is that those who tender such advice do not

correctly understand the spirit of the times. What is wanted is not a mere increase of official efficiency, assuming that such increase can be secured by following the course proposed. I have already pointed out that a return to the old benevolent autocracy of the Collector is no longer possible and any attempt in this direction will not only fail but will be widely resented. The cry of the people everywhere is that the Car of Administration should not merely roll over their bodies but that they themselves should be permitted to pull at the ropes. Increased proficiency in the vernaculars on the part of District Officers or more determined attempts to promote social intercourse are only surface remedies, which will not touch the real root of the evil. We want an *interest* in the Administration around us. The educated classes are only critics of the Administration to-day because the Government does not realize the wisdom of enlisting their co-operation. Some people imagine an antagonism between the interests of the educated classes and those of the masses and they hope to fortify themselves by winning the gratitude of the latter as against their unpopularity with the former. This, however, is a delusion of which the sooner they get rid the better. The educated classes are the brain of the country, and what they think to-day, the rest of the people will think to-morrow. The problem of bringing the Administration into closer relations with the people is essentially a problem of associating the educated classes with the actual work of the Administration. With village Panchayats at the bottom, District Councils in the centre and reformed Legislative Councils at the top, this problem will have been fairly faced, so far as the exigencies of the present are concerned.

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